



FLAKE &
MODULAR
IRON
CASTINGS

The International Mechanite Metal Co., Ltd.
Albert Rd, Halesowen, West Midlands, England B6 4JG

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.5; GERMANY DM2.5; ITALY L.500; NETHERLANDS Fr.2.5; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Pes.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.5; EIRE 15p

مكانت الأجل

FINANCIAL TIMES

No. 27,555

Wednesday May 10 1978

+15p



**Henry
Butcher & Co**
Incorporating
Leopold Farmer & Sons
Agents, Valuers, Surveyors and
Auctioneers of Property and Plant
London - Leeds - Birmingham

NEWS SUMMARY

GENERAL

BUSINESS

Setback in bid to save beaches

There was a major setback last night in the bid to save East Anglian beaches from further oil pollution when divers trying to secure a tow line to the bow section of the wrecked Greek tanker found they were working directly over a tank full of oil.

The divers, who thought they had been working over a dry tank, stopped work because of the explosion risk. It had been hoped to tow the section out to sea and sink it.

More trouble came when a boom, aimed at preventing the oil from the tanker moving up river towards the Norfolk Broads broke, allowing some oil to get through.

The crisis now hinges on exactly how much oil is left in the bow section, which contains three 1,000-gallon tanks. Back Page.

Carter policy victory near

President Carter appears to be heading for another foreign policy victory as Congressional opposition to his Middle East arms package begins to melt. A compromise is being mooted which could ensure the sale of fighter aircraft to Saudi Arabia, Egypt and Israel.

Meanwhile, Palestinian guerrilla organisations are increasing their troop strength on the occupied West Bank and moving to better equipment, according to Israeli security forces. Fatah and the Popular Front for the Liberation of Palestine are said to be smuggling arms and explosives across the Jordan and even through the port of Haifa. Page 4

Hove still out

Rhodesia's ruling executive council said last night it would not reverse the decision to dismiss Mr. Byron Hove, the black Co-Minister for Justice. But a statement said one member, Bishop Abel Muzorewa, "reserved his position" on the matter. Page 4

Gandhi success

Mrs. Indira Gandhi's Congress Party has won its first parliamentary by-election in Northern India, only a year after crushing general election defeats. Page 4

Breathless

Two climbers have become the first to scale Mount Everest without the use of oxygen, according to reports from the expedition's base camp. The are Reinhold Messner, from Villach, South Tyrol, Italy, and Peter Habeler, from Mayrhofen, Austria.

Hotels hope

Hotel owners on Spain's Costa del Sol last night reopened their hotels, allowed employees back to work and raising hopes of a settlement of a dispute which deprived 1,000 workers of service for four days. The hoteliers had locked-out workers who staged a week-end strike to press pay demands. Page 2

Briefly ...

Norwegian explorer Thor Heyerdahl and Egyptian desert expert Prof. Mohammed Abdel Fattah Kassas are 1978 joint winners of the \$50,000 Pahlavi Environment Prize.

Leading snooker players Alex "Hurricane" Higgins and Graham Miles were fined £200 each by tournament organisers after a dressing room scuffle in Caerphilly, Wales.

The Queen, accompanied by Prince Philip, inaugurated by the natural gas terminals of British Gas and Total Oil at St. Fergus, Aberdeenshire.

Experts have defused a bomb planted in Toulouse Stadium, where France is due to play a World Cup warm-up soccer match against Iran on Thursday. Page 22 and Lex.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

	RISSES	FALLS
Costain (R) 300 + 10	300 + 10	104 - 8
Mitchell Cotts Trust 73	73 + 5	70 - 5
Burnell Oil 56 + 2	56 + 2	54 - 2
De Beers Dfd. 347 + 13	347 + 13	334 - 13
De Driestein 655 + 13	655 + 13	632 - 13
East Rand Prop. 312 + 13	312 + 13	295 - 13
Tasminez 85 + 5	85 + 5	76 - 5
Thiess Holdings 216 + 6	216 + 6	200 - 6
British Home Stores 158	158	152 - 6
FPA Construction 178	178	165 - 5
Furness Withy 262	262	245 - 13
Globo 555	555	530 - 25
GUSA 288	288	270 - 18
GKN 277	277	265 - 12
ICL 216	216	205 - 11
ICI 238	238	225 - 13
Marchwiel 233	233	220 - 13
National 235	235	220 - 15
Pearl Assurance 235	235	220 - 15
Reform Nat. Glass 268	268	255 - 13
Rowntree Mackintosh 400	400	385 - 15
Royal Insurance 376	376	355 - 21
Scot. Universal Inv. 115	115	105 - 10
UDT 34	34	32 - 2
United Scientific 136	136	124 - 14
Vosper 56	56	52 - 4
Shell Transport 574	574	54 - 3

Moro's body found in car

BY PAUL BETTS: ROME, May 9

THE Italian Cabinet called an emergency session to-night after the murder of Sig. Aldo Moro, the Christian Democrat president and five times Prime Minister of Italy. Sig. Moro's body was found abandoned to-day in a car parked within yards of the Communist Party headquarters and the headquarters of his own ruling party.

Italy's major trade unions immediately called a strike until to-morrow to-night and a two-hour general strike to-morrow as a sign of grief and solidarity in the wake of Sig. Moro's murder.

Train services stopped for 15 minutes. Cinemas, night-clubs and many shops closed. Flags were flown at half-mast and crowds gathered in the main squares of Italy's cities. An estimated 50,000 people assembled in Cathedral Square, Milan, and in Rome there was a demonstration at the Coliseum. Crowds also gathered at Christian Democratic headquarters in the Plaza dei Gesù.

Sig. Giovanni Leone, President

dent of the Republic, addressed the nation on television to-night and urged firmness against terrorism. "Everybody shares in the guilt for the events which led to the murder, but we must now protect democracy."

A new chance for Italy and Editorial comment Page 20 Timetable of tragedy Page 2

because of fears that the vehicle was booby-trapped.

According to reports here to-night, Sig. Moro apparently may have been grazed by a bullet during the ambush near his home on March 16.

Sig. Moro was unshaven, and

there was sand in his shoes and

turnips suggesting he may

have been forced or dragged

across a beach or a building

site.

A big but fruitless manhunt

had been underway since Sig.

Moro's abduction. It became

the country's biggest and

longest police operation. The failure to

unearth any substantial clues

on the Red Brigades' move-

ment has raised serious doubts

about the efficiency of the

country's internal security

forces.

The fact that the terrorists

were able to drop the dead

body of Sig. Moro almost

at the doorstep of the head-

quarters of the country's two

major political parties in the

centre of Rome has fuelled

these doubts.

Continued on Back Page



Sig. Moro's body lies in the boot of a car after its discovery.

Ministers face new Finance Bill challenge

BY RICHARD EVANS, LOBBY EDITOR

SENIOR MINISTERS, having accepted Monday's defeat on the proposed standard rate of income-tax of 30 per cent, faced the possibility of a further reversal on the Finance Bill in the Commons.

A Conservative amendment raising the starting point for higher rates of tax from the proposed £7,000 a year to £8,000 looks like attracting support from most minority parties, thus making the Government highly vulnerable.

A division six-in-one certain to be close, but the three Plaid Cymru MPs are expected to vote with the Government, saving Mr. Denis Healey, Chancellor of the Exchequer, from further embarrassment.

An unknown factor is whether Opposition MPs, having tasted blood once, will consider they have created enough havoc for the Government and draw back from inflicting more defeats.

The cost of the amendment would be relatively low (£35m. this year and £45m. in a full year), but a defeat would be psychologically damaging following attempts by Ministers yesterday to emphasise the economic dangers of overturning the Chancellor's Budget judgment.

A more wide-ranging Tory amendment aimed at increasing incentives for middle and higher management, by rephrasing the higher income-tax bands and reducing top rate from 38 per cent. to 30 per cent., is unlikely to succeed because of lack of support from the Nationalist parties.

"If it is necessary to take further steps the Chancellor will have to do so."

In a reference to to-day's key divisions, Mr. Callaghan said that if further Opposition amendments to the investment income surcharge, when Tories will propose raising the threshold from £1,700 to £2,000. This is not expected to receive support from most minority parties.

The Prime Minister confirmed the Chancellor's statement yesterday that the Government would take an decision on whether to respond to the £270m. standard rate defeat until the Committee Stage of the Finance Bill goes "upstairs" in standing committee next Wednesday.

With studied coolness Mr. Callaghan brushed off Tory demands for an immediate General Election after the unprecedented defeat.

Mrs. Margaret Thatcher, the Tory Leader, challenged Mr. Callaghan to "tell us at what moment of confidence an attempt to reverse the defeat on standard rate defeat until the Finance Bill goes "upstairs" in standing committee next Friday.

There will be one more Committee Stage debate on the floor of the House next Tuesday on Tory new clauses, including stamp duty and deferral of payment on whisky duty, before the Finance Bill goes "upstairs" in standing committee next Friday.

The committee will then meet every Tuesday and Wednesday until the committee stage is completed.

Mr. Enoch Powell, United Ulster Unionist MP for South Down, insisted yesterday that his party's support for the Tory amendment cutting standard rate by 1p did not signal a fundamental shift in the balance of power at Westminster.

The Prime Minister parried the suggestion and accused the Opposition of behaving with its "usual irresponsibility." He said the Government would just have to accommodate that as best it can.

The Prime Minister puffed on a pipe and added: "If it is necessary to take further steps the Chancellor will have to do so."

Parliament Page 10

Money supply growth surges above target

BY MICHAEL BLANDEN

THE GROWTH of the money supply increased sharply last month to levels well above the Government's official target range.

The indications are that the main measure, the sterling element of money stock on the wider definition, might have risen 2 per cent. or more in the month to mid-April.

This would take the growth in the financial year as a whole to about 14½ per cent., compared with the target range of 9-13 per cent.

The latest figure comes on top of the 12½ per cent. rise in

monetary growth had come back

eligible liabilities of the banking system.

He said the increase for the financial year, which for the pur-

poses of monetary policy ended

in mid-April, would probably be just above the 13 per cent. ceiling.

The latest figure comes on top

of the 12½ per cent. rise in

monetary growth had come back

eligible liabilities of the banking system.

The indications are that the main measure, the sterling element of money stock on the wider definition, might have risen 2 per cent. or more in the month to mid-April.

This would take the growth in

the financial year as a whole to about 14½ per cent., compared with the target range of 9-13 per cent.

The latest figure comes on top

of the 12½ per cent. rise in

monetary growth had come back

eligible liabilities of the banking system.

The indications are that the main measure, the sterling element of money stock on the wider definition, might have risen 2 per cent. or more in the month to mid-April.

This would take the growth in

the financial year as a whole to about 14½ per cent., compared with the target range of 9-13 per cent.

EUROPEAN NEWS

Ecevit will present arms shopping list at talks in Bonn

BY METIN MUNIR

ANKARA, MAY 9.

TURKEY is to submit an arms shopping list to West Germany and will make proposals for German assistance in the manufacture of arms in Turkey.

Mr. Bulent Ecevit, the Turkish Prime Minister, who starts a four-day visit to West Germany tomorrow, told a news conference today that during his talks with Chancellor Helmut Schmidt he would take up the question of the supply of German arms.

"We shall also put forward proposals for German assistance in the manufacture of certain defence items and equipment and their sale to NATO countries and other States by Turkey," Mr. Ecevit said.

A meeting was held at headquarters of the Turkish General Staff in Ankara yesterday to draw up the shopping list and the projects for which German assistance would be sought. Mr. Ecevit gave no details today.

Turkey has been starved of arms since the U.S. imposed an arms embargo three years ago because of Turkey's invasion of Cyprus. Mr. Ecevit's Government is drafting a new defence policy, one of the aims of which is to secure arms from a wider range of suppliers.

The two leaders are also expected to discuss the Cyprus arms list with the West Germans, including tanks, aircraft and

Payments resumed, Page 5

EEC uranium sources call

BY DAVID BUCHAN

STRASBOURG, May 9.

THE EUROPEAN Community should diversify its sources of uranium supply, EEC Commissioner Mr. Richard Burke today told the European Parliament here in answer to an MP's question calling for a shift away from South African supplies.

But he refused on grounds on Mr. Burke, speaking for the commercial secrecy to tell Mr. Commission, said South Africa's Pieter Daakert (Dutch Socialist) ranked second among non-communist producers, accounting for 20 per cent of world EEC.

Refining cutback approved

BY OUR OWN CORRESPONDENT

STRASBOURG, May 9. THE EUROPEAN Parliament would be available to meet today passed a resolution shortfall, approving the Commission's. In a crisis Britain should be prepared to reduce excess oil refining ready to share its oil with its partners in the EEC, but EEC partners, he said. "To look deplored its recent proposal that upon that as a threat to national EEC oil stocks should be cut sovereignty and the right to defend in 84 days' consumption, dispense national resources would be wrong interpretation, disclaims Herr Guido Brunner, EEC playing excessive sensitivity. Energy Commissioner, told MPs. However, MPs supported the yesterday that storage was argument of Mr. Tom Norman, immensely costly and that the ion (British Conservative), who ultimately had to introduce the debate and who should the expense, Herr Brunner made it clear that to eight weeks' consumption Commission's proposal was based would weaken the Community's on the assumption that British position vis-a-vis the OPEC North Sea oil, now on stream, countries.

Fishermen to blockade 20 Danish harbours

By Hilary Barnes

COPENHAGEN, May 9. FISHING VESSELS are setting up an indefinite blockade of 20 Danish ports from midnight to-night. The blockade, involving 1,800 craft, will cut off Copenhagen and the island of Zealand from seaward contact with the rest of the world, but the Jutland west coast ports will not be affected.

Reuter adds from Bonn: West Germany will provide DM130m (about \$85m.) in credits to Turkey under an agreement signed today in advance of Mr. Ecevit's visit. Officials said the credits would be used for industrial projects including an iron ore plant and a cement works.

Other ways of extending economic co-operation between Turkey and West Germany — its most important trading partner — are also expected to be discussed.

Bonnie gave Turkey capital assistance worth DM3.1bn. (about \$1.5bn.) between 1969 and 1977. Officials to-day said other West German aid to help Turkey through its economic crisis would mainly be channelled through multilateral organisations such as the World Bank and International Monetary Fund.

The two leaders are also expected to discuss the Cyprus arms list with the West Germans, including tanks, aircraft and

Payments resumed, Page 5

reserves. He went on to warn the Community, which in the 1980s will be 80 per cent dependent on outside supplies, should not be "overly dependent" on any one source of supply.

But he refused on grounds on Mr. Burke, speaking for the commercial secrecy to tell Mr. Commission, said South Africa's Pieter Daakert (Dutch Socialist) ranked second among non-communist producers, accounting for 20 per cent of world EEC.

The Government has promised to call a meeting of the Baltic Fisheries Commission, which sets the quotas for Baltic catches, to reconsider the distribution of the Danish quota, to speed up the work of a commission on the future of the fisheries, and to consider temporary financial assistance.

But the fishermen, who are acting against the advice of the two fishermen's associations, called on the Government to meet their demands by to-day or face the blockade. The protest is expected to disrupt ferry services between Denmark and Sweden and Germany as well as services across the Great Belt, which links the Jutland peninsula and the island of Fuen to Zealand.

U.S.-Soviet arms talks

The Soviet Union and the U.S. have said that they agree on much of the scope of a proposed ban on chemical weapons, but that they are still divided about how to guard against cheating, Reuter reports from Geneva.

THE SOVIET ARMS TALKS

The Soviet Union and the U.S. have said that they agree on much of the scope of a proposed ban on chemical weapons, but that they are still divided about how to guard against cheating, Reuter reports from Geneva.

Italy humiliated by terrorists' competence

BY ANTHONY ROBINSON

DISCOVERY of the body of Sig. Aldo Moro in the centre of Rome is as humiliating for the Italian State and its security forces as the original capture of the Christian Democrat leader 55 days ago.

The police have registered a similar lack of success in trying to stem the wave of kidnappings for ransom which has afflicted Italy in recent years. The whole process of law and order has been called into disrepute by the armed forces, hacked by the judicial system, and the apparent slowness and political interference with investigations and trials of a whole series of cases.

While all this frantic activity was taking place, including round-ups of Left-wing suspects, small units of the Red Brigades taunted their criminal competence by carrying on their programme of knee-capping and shootings, not to mention attacks on a number of leading com-

panies like the Alfa Romeo car group and Sit-Siemens electronics.

The police have registered a similar lack of success in trying to stem the wave of kidnappings for ransom which has afflicted Italy in recent years. The whole process of law and order has been called into disrepute by the armed forces, hacked by the judicial system, and the apparent slowness and political interference with investigations and trials of a whole series of cases.

But the challenge represented by the Red Brigades goes far beyond a challenge to the security forces. They have declared themselves enemies of the Italian State, and of what they see as 30 years of Christian Democrat corruption compounded now by a historical betrayal of the working class by the trade unions and the Com-

political system and clearly in a position to strike again.

This threat has pulled all the democratic parties together in defence of the State. The State has not ceded to the most appalling psychological pressure and Sig. Aldo Moro has paid for this new found solidarity with his life.

A new consensus now exists for a radical reorganisation of the security forces. But if the Italian State is to survive in a democratic form it has to use this new found unity to tackle the corruption, the alienation of youth, the frustration of unemployment, and all the other problems which have accumulated, unresolved, during 30 years of radical but incomplete transformation into an indus-

trialised, urban society.

A highly organised, militant and violent group of self-styled revolutionaries with unknown sympathisers in factories, ministries, the means of communications and probably in the security forces, is at large. It is pledged to the overthrow of the entire

Timetable of a tragedy

March 15: Sig. Moro kidnapped on way to work in an ambush that kills his five police bodyguards. Red Brigades urban terrorist group claims responsibility and threatens to kill Sig. Moro unless Red Brigade members due to stand trial in Turin are released within 48 hours.

Trade union leaders call 24-hour general strike to protest against the kidnapping, and Parliament rushes through confidence motion in support of Government.

March 17: Hunt launched, concentrating on Rome.

March 18: Forty-eight-hour deadline passes. Red Brigades issue photograph of Sig. Moro.

March 20: Turin trial opens amid tight security. Communist Party newspaper L'Unità says top-level powers, probably "even outside our country", involved in the kidnapping and ruling Christian Democrats also hint at foreign involvement.

March 21: Parliament brings into effect strict anti-terrorist measures giving police wider powers of arrest and of interrogating suspects.

March 22: Sig. Giovanni Picco, former Mayor of Turin, wounded by terrorists.

March 23: Red Brigades issue communiqué saying Sig. Moro was being tried by a People's Court: "The interrogation of Aldo Moro is continuing . . . The aim is to clarify the imperialist and anti-proletarian

politics of the Christian Democratic party."

March 29: Sig. Bettino Craxi, Socialist leader, joins with Christian Democrats in calling for tough measures to help capture of kidnappers. Press criticises police for lack of results. Sig. Craxi says: "Law and order can only be restored following the effective reform of the police and the magistrature."

April 2: The People appeals for the release of Sig. Moro and offers to act as an intermediary. Christian Democrats criticise offer, insisting that no deal should be made.

April 3: One hundred left-wingers detained under new anti-terrorist measures.

April 4: Red Brigades demand the release of all Communist prisoners" and Sig. Moro appears in another letter for an exchange: "They cannot forget that my dramatic seizure happened as I was going to the Chamber for the consecration of the Government which I had worked so hard to construct." The Government replies to the Red Brigades that no form of blackmail can be acceptable.

April 7: Sig. Felice Schiavetti,湖畔的湖水。

April 18: Sig. Moro's body is at the muddy bottom of Lake Denechou in the province of Rieti," says message apparently from Red Brigades.

April 19: Fugitive search of lake fails to discover Sig. Moro's body.

April 20: All political parties unite in not giving in to the kidnappers. Red Brigades communicate with the Government. Sig. Moro is dead and reiterates demand for the release of all Communist prisoners."

April 21: Turin prison guard killed in attack by terrorists. One terrorist captured but too seriously wounded to be interrogated.

April 23: Government claims all-party support for "no deal," but some Christian Democrat members favour a compromise for humanitarian reasons.

April 25: Red Brigades announce People's Court verdict: The interpretation of Aldo Moro is over. He is obviously guilty and has been sentenced to death." Government claims all-party support for "no deal," and Sig. Moro appears in another letter for an exchange: "They cannot forget that my dramatic seizure happened as I was going to the Chamber for the consecration of the Government which I had worked so hard to construct." The Government replies to the Red Brigades that no form of blackmail can be acceptable.

April 26: Sig. Giacomo Mochelli, the former Christian Democrat President of the Lazio regional government, is shot in legs in Red Brigades-style ambush.

April 27: Sig. Sergio Palmieri, a Fiat industrial relations executive, is shot in legs. Red Brigades claim responsibility.

April 29: Seven letters from Sig. Moro received by his family and delivered to the President, the Prime Minister, the presiding officers of the two Houses of Parliament, to the leader of the Socialist Party and to two Christian Democrats.

May 1: Sig. Moro's family publishes statement condemning in strong terms the Christian Democrat Party's continued in-

sistence on refusing any negotiation with the terrorists. Thousands of Italians demonstrate against terrorism in May Day parades.

May 2: Sig. Andreotti meets Communists and Socialist leaders to discuss Sig. Craxi's proposals on negotiating Sig. Moro's release.

May 3: Some Socialists and Christian Democrats understand to be in favour of granting concessions to the kidnappers. However, the Government remains adamant that, although the terrorists could expect "humanitarian" treatment if they released Sig. Moro, there would be no negotiation.

May 4: Officials say they believe the Red Brigades are deliberately trying to split the country's political forces.

May 5: Red Brigades announce, in an apparently authentic communiqué, that they were "about to carry out the sentence" on Sig. Moro.

May 7: Sig. Moro says in a farewell letter that the Red Brigades are going to kill him "in a little while."

May 8: Red Brigades silent on fate of Sig. Moro, but a Milan doctor, Sig. Diego Fava, is shot and wounded by terrorists.

May 9: Sig. Moro's body found in a car near both the Christian Democrat and Communist party headquarters. Moro's sacrifice, Page 20

Catalan metal workers strike

By David Gardiner

BARCELONA, May 9.

METAL WORKERS in the province of Barcelona went on strike

to-day in what looks like the first

of a series of stoppages after the

breakdown of negotiations in the

sector's yearly pay agreement.

Early reports from the main

trade unions involved in the 24-

hour stoppage indicated that over

90 per cent of the 240,000 metal

workers had joined the strike.

The metal workers are the

most powerful sector of Catalan

labour.

THE MAJORITY of hotels and del Sol, which has the highest a share of turnover. So in practice this would be much less and take-home pay would amount to Pts.23,800 (\$227). The hotel owners have offered a maximum of Pts.23,500 (\$218) per month and have also refused to have a single wage agreement covering

AN urgent inquiry has been called for in Madrid following two serious accidents—one on Monday night—in the city's Metro in which 227 were injured. A state takeover of the private company, which runs the underground railway, has also been

neglected. More generally, it is both hotel staff and restaurant staff a reflection of the serious discontent in the Malaga area which could be seriously affected.

The dispute is about wages. But it is also a reflection of the trades unions' desire to establish a strong presence in a sector where union rights have been

neglected. More generally, it is both hotel staff and restaurant staff a reflection of the serious discontent in the Malaga area which could be seriously affected.

The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above the Government ceiling of 22 per cent for 1978, a spokesman for the Socialist-oriented union UGT, pointed out that this increase was being sought without loss of jobs. The tourist season on the Costa

negotiations. The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above the Government ceiling of 22 per cent for 1978, a spokesman for the Socialist-oriented union UGT, pointed out that this increase was being sought without loss of jobs. The tourist season on the Costa

negotiations. The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above the Government ceiling of 22 per cent for 1978, a spokesman for the Socialist-oriented union UGT, pointed out that this increase was being sought without loss of jobs. The tourist season on the Costa

negotiations. The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above the Government ceiling of 22 per cent for 1978, a spokesman for the Socialist-oriented union UGT, pointed out that this increase was being sought without loss of jobs. The tourist season on the Costa

negotiations. The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above the Government ceiling of 22 per cent for 1978, a spokesman for the Socialist-oriented union UGT, pointed out that this increase was being sought without loss of jobs. The tourist season on the Costa

negotiations. The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above the Government ceiling of 22 per cent for 1978, a spokesman for the Socialist-oriented union UGT, pointed out that this increase was being sought without loss of jobs. The tourist season on the Costa

negotiations. The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above the Government ceiling of 22 per cent for 1978, a spokesman for the Socialist-oriented union UGT, pointed out that this increase was being sought without loss of jobs. The tourist season on the Costa

negotiations. The wage demand is merely seeking to align pay structures with those minimally offered in the industry. At present, wages in this sector are between 20 and 25 per cent below industrial levels, and there is considerable discontent among hotel staff for this reason. Until trades unions are seeking a minimum wage of Pts.23,500 (\$218). Although this is 53 per cent increase and well above

EUROPEAN NEWS

French unemployment thought likely to rise by almost 50%

BY DAVID CURRY

PARIS, May 9.

FRENCH UNEMPLOYMENT seems certain to increase by almost 50 per cent by the end of the year to about 1.5m. This is the figure accepted by the main unions as probable and, while there exists no Government projection of unemployment, officials in the Labour Ministry are prepared privately to endorse this opinion.

A number of industrial sectors with large workforces are likely to have shed workers over the next few months as the Government insists upon its policy of giving priority to efficiency and profitability and sticks to its determination not to help "lame ducks."

Textiles, shipbuilding and steel are the most obvious candidates and there is no prospect of posts being created for workers made redundant since the wide emphasis of the Government's industrial policy is upon the development of France's technological capacity to survive competition internationally, particularly from new entrants to world markets like Korea and Brazil.

In addition, the Government's agreement with the employers last year to provide fiscal concessions for companies who recruited young people has resulted in a number of concerns taking on more people than could be economically justified. These companies are now readjusting their totals mainly by shedding older workers in order to maintain young recruits in jobs.

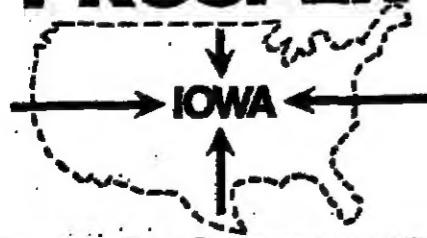
Indeed, although the employers' company with the Government resulted in more than half a million young people finding jobs in the period prior to the election, the unions claim that there was a net increase in employment at all because of this phenomenon of job swinge-

ring. The picture is made more sombre by the sheer arithmetic of school-leavers. Around 600,000 people seek their first job each year, and the excess of new entrants to the labour market over retirements is running at the rate of at least 200,000 a year.

In the last two months the seasonally adjusted figures for unemployment have risen to 1.2m. to rise again after a brief decline around the turn of the year which enabled the Government to wage its election campaign claiming that the situation was under control. But the figures for notified vacancies, which is a more reliable guide as to the pressing need to exercise price freedom within the restrictions imposed by the global national interest.

Choose Quality. Choose Hyster.

For a profitable difference to your handling operation, choose the truck with the reputation for performance and durability—the truck that's built to quality, standards and backed by after-sales service you can depend on. Whatever your application, choose Hyster.

Manufactured in Britain by Hyster.
Sold and serviced in Britain by:Barlow Handling Limited
Head Office: Airlie Estate,
Maidenhead, Tel: Littlewick Green 2151
Head Office: Wards Park South,
Cumbernauld, Tel: Cumbernauld 25061
In Ireland by:
A. H. Maser Ltd, Tel: Dublin 384-511
Belfast 617125, Cork 20528**PROSPER****at America's crossroads**

- Ideal sites for distribution and manufacturing
- Top labor productivity
- Favorable laws
- Prime opportunities for license, joint ventures
- Available industrial buildings

Contact: Ron Kraft, Director
Iowa Europa Büro, Dept. FT
Am Salzhaus 4
D-8000 Frankfurt/Main 1
Federal Republic of Germany
Telephone: 0611/28 38 58
Telex: (941) 413 322 LCO D**Looking for Industrial Properties in France?**

Following the reorganisation of its manufacturing facilities, a large French industrial company has a number of quality plants to offer. These plants are located in various French regions, including the Paris area.

They could be of interest to firms wishing to develop their activities in France and planning to employ 100 to 300 people.

In addition, this French company is ready to study with any interested party its setting up of plant in France, including the training and transfer of the labour force required, and other measures.

For further details, please write to Box F1013, Financial Times,
10, Cannon Street, EC4P 4BY.

Norwegian urges joint action on oil exports

By Bruce Andrews

HOUSTON, May 9. BRITAIN and Norway must work more closely together to capture a share of the export market in oil-related supplies and services, Mr. Trygve Tam Bursten, Norway's Deputy Minister of Oil and Energy, said in an interview here with the Financial Times.

Mr. Tam Bursten, who was attending the Offshore Technology Conference at Houston, said there were areas in the offshore market where the UK and Norway complemented each other.

"We ought to co-operate in the export market," he said. "But if we are to do so successfully, we must first have better co-operation in the North Sea." He added that Norwegian and British Ministers would discuss the subject at a meeting in London next month. He did not see the U.K.'s membership of the EEC as an obstacle to co-operation. "We have to look at it in a pragmatic way."

Mr. Tam Bursten, was not hopeful, however, about the early prospect of Norwegian co-operation with the U.K. over a pipeline network for collecting gas from North Sea fields.

"We are not prepared to take a decision on this subject at the moment. We do not have enough gas. I think we may be prepared to look at it at the end of next year when the 16 new blocks we propose to allocate this summer and autumn."

In the meantime, Norway was still deciding what to do with the gas from the Stadford field. Drilling starts this year on some of the new blocks he said, the first being the so-called "golden block," 34/10, which had already been allocated. He hoped oil discoveries in these areas would enable Norway to expand its oil production up to the 90m. tonnes a year limit established by the Government. Production from existing oil fields looked like peaking at 60m.-65m. tonnes a year in the 1980s.

The Norwegian Government was also looking carefully at ways of developing marginal fields.

"We are having a status report prepared on each of the yields," said Mr. Tam Bursten, "and in August we will be ready to listen to proposals from the oil companies."

It was not intended, however, to make any changes in the taxation system.

Asked whether policy had changed as a result of the blow-out on the Ekofisk field last year, Mr. Tam Bursten said Norway had increased its demand for better training of offshore personnel, better organisation and better communications.

"What we thought could not occur did occur," he said. "But while we can and must diminish the risks of offshore accidents of this kind, we must acknowledge that we can never reduce them to zero."

Holland allows extradition of terrorists

By Charles Batchelor

AMSTERDAM, May 9. ALL THREE members of the West German Red Army Faction held in Dutch prisons can be extradited to West Germany, according to a ruling by Holland's Supreme Court. The Court ruled that one of the men, Knut Folkerts, could not be extradited on the grounds of his alleged involvement in the kidnapping and murder of the German employers' leader Dr. Hans Martin Schleyer, but he could be extradited on suspicion of committing other offences.

The Supreme Court turned down the appeal by Folkerts, and by Gert Schneider and Christoph Wackernagel against a lower court ruling that there were no legal objections to their extradition.

Mr. Jacob de Ruiter, the Justice Minister, is expected to decide within the next few days whether the extraditions will take place. If he decides they can, the three men can appeal to the Privy Council. They have already asked the Minister of Justice to classify them as refugees and a decision is still awaited. Folkerts is serving a 20-year sentence for murdering a Dutch policeman.

WORK SHARING IN THE EEC

Fewer hours for the same pay

BY DAVID BUCHAN IN BRUSSELS

BELGIAN TRADE unions now will rise by some 9.7m., as the medium term employment post-war baby bulge works its way through.

According to the EEC forecasts, union federations to map out which has yet to be ratified by the union rank and file, provided by the end of 1985 will the situation start to right itself, with the number of those reaching the age of 16 in that year falling to 3.8m. and those reaching the pensionable age of 65 rising to 3.1m. But the enlargement of the European Community to take in the relatively young work forces of Spain, Greece and Portugal after that date might even counteract this.

Looking at the next eight or nine years, when the working

term employment Belgium), electronics and metal working hours, might become an engineering industries. Last

epidemic combined to persuade him to give in.

The most telling criticism of the union strategy is that it has failed in its stated aim—to increase employment. In only one agreement, that for department stores, have the unions been guaranteed that extra personnel would be taken on. In other sectors, company management

are simply likely to reduce production, no great hardship given currently slack demand, or try to increase productivity. Belgian unemployment has certainly fallen from its peak of 304,000 in January to 280,000 now. But that drop is due to special Government work schemes that have given some 26,000 youngsters jobs since the start of 1978. The only way companies can be encouraged to take on more people is to shorten working hours. It is true

The biggest criticism of the Belgian union policy of shortening the working week is that it does not increase employment. Demand is slack and management is glad to cut production.

This was the first industrial sector to give way; previously it had only really been the services, notably banking and insurance, which had gone to less than 38 hours. The oil companies, and promptly rejected by the FEB in national negotiations. The unions, undeterred, decide to pursue their goal sector by sector. In January they won a crucial victory, getting a 38-hour week by 1979 for some 5,000 oil refinery workers and tankers.

This was the first industrial

sector to give way; previously it had only really been the services, notably banking and insurance, which had gone to less than 38 hours. The oil companies,

but came up with a convenient compromise. They were clearly relieved to avoid a threatened stoppage. It was only pressure from the FEB on the oil companies that brought this dispute to the brink of a strike.

But as the FEB privately acknowledges: "We cannot compel our members to commit suicide." After the oil sector settlement, it seems to have been easy progress almost all the way for the unions. A strike of 10,000 Ford car assembly workers demanding reduced working hours was bought off by the company offering a pay rise that the workers had not even originally asked for.

In general, all these measures only reinforce existing trends. For instance, total working time for the oil industry in Western Europe has declined by an average of 1 per cent a year between 1960 and 1975. But this has been the result of piecemeal improvements in working conditions.

What the European trade unions want is a 38-hour week by 1980. Ford car assembly workers demanding reduced working hours was bought off by the company offering a pay rise that the workers had not even originally asked for.

But the unions have more than compensated for this setback by subsequent victories in the retail, non-ferrous metal refining (a big sector in

the public sector deal came to collect most of this year's private sector bargaining nearly all completed for 1978

from 38 hours not becoming a condition of the unions' positions.

The FEB can justly complain that it has not had the support of Prime Minister Leo Tindemans that it might have expected. Officially, his Government sat on the fence, until with the public sector negotiations it could maintain that posture no longer. The oil minister admitted in public that he thought "38 hours by 1980" was going too far, too fast ahead of Belgium's EEC partners when

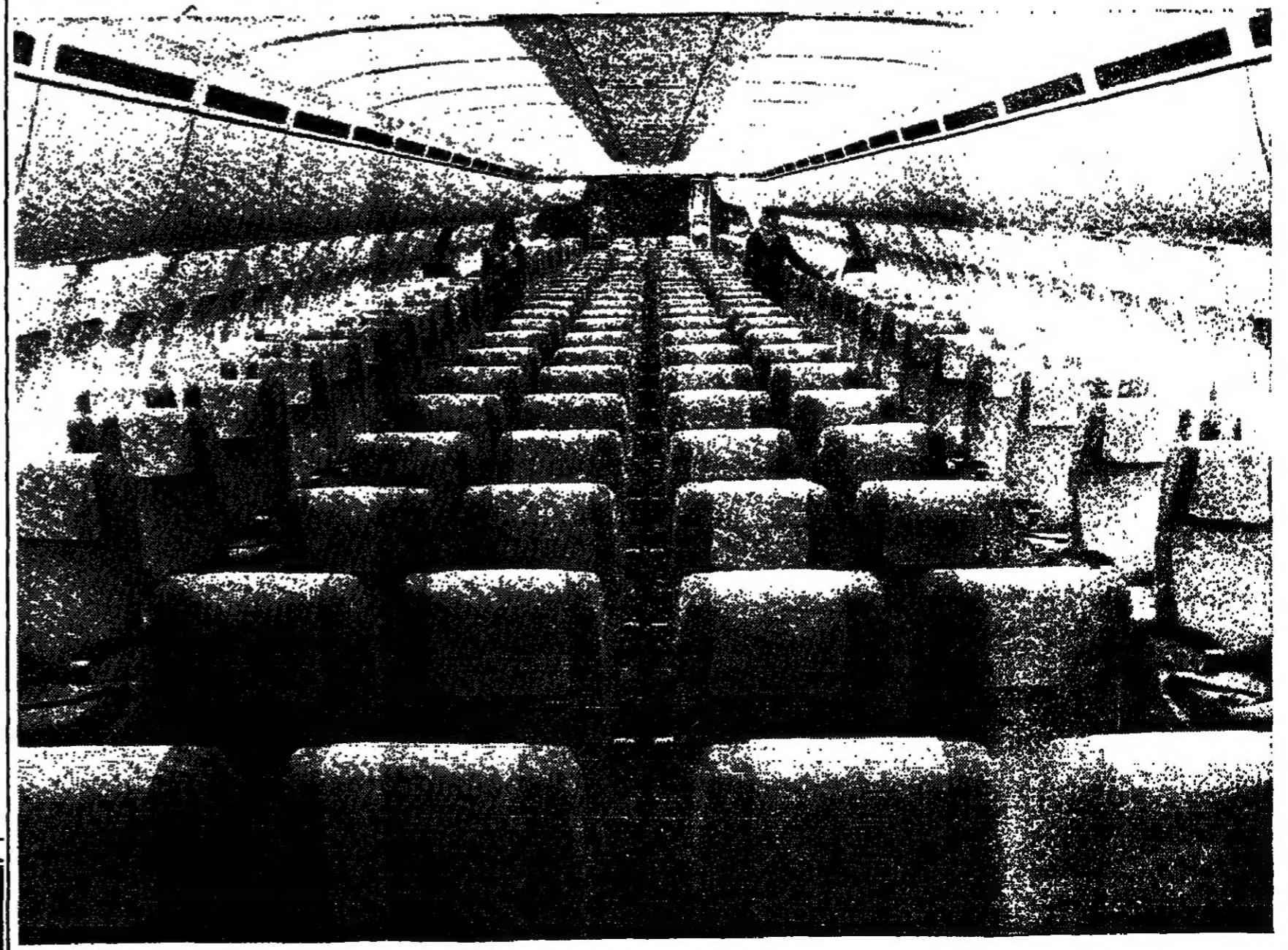
Belgium already worked shorter hours than any of the others.

But Mr. Tindemans has to live with a coalition. Pressure from

his Socialist allies and the fear

that the rash of strikes, in support of demands for shorter

Authentic passenger statement



We have one of the most modern, up-to-date fleets in the world, which is why we take extra special care to keep it looking at its best.

And with the care comes the service, with 17 flights a day, including three by the new wide-bodied A300 Airbus, serving Frankfurt and Düsseldorf.

Other destinations in Germany are: Bremen, Hamburg, Hanover, Cologne/Bonn, Munich, Nuremberg, Stuttgart. Consult your Travel Agency or our Yellow Book Timetable for exact details of all our flights.



Lufthansa
German Airlines

OVERSEAS NEWS

Japanese banking criticised

By Charles Smith, Far East Editor

TOKYO, May 9.
JAPAN'S SYSTEM of banking regulations was criticised today by the EEC Commissioner for Financial Institutions, Mr. Christopher Tugendhat, for a "lack of transparency" and for a *de facto* bias in favour of domestic banks.

In an interview with the Financial Times Mr. Tugendhat said he thought the obscurity of the system, based on case by case administrative guidance, gave rise to "suspicion and a sense of injustice... What we need is a system in which the parties concerned understand the rules."

Japan's tightly regulated banking system seemed to be appropriate to a small or struggling economy, Mr. Tugendhat noted, but was not consistent with the dignity and position of one of the world's great economic powers." The reform of the Japanese banking system could not be regarded as simply a domestic issue because Japan had overrun the point where it could please itself in the regulation of its financial affairs.

Mr. Tugendhat said there was a rising feeling of dissatisfaction and worry on the part of foreign banks in Japan at the degree of restraint imposed on them by the authorities. He was careful to stress, however, that the situation did not amount to a crisis and that "a lot of consideration of these problems seems to be going on in Japan."

He described his own mission as an attempt to create a framework for discussion rather than a bid to extract immediate concessions from the Japanese banking authorities. The EEC Commission had not been given a mandate to negotiate with Japan on banking problems. This meant, said Mr. Tugendhat, that his talks with Japan would be less formal and expected to produce fewer concrete results than the EEC-Japan trade negotiations of February and March which were the result of a mandate given to the Commission by EEC member governments.

Mr. Tugendhat said one complaint against Japan's banking regulations was that they positively force foreign banks to bring money into the country even though Japan's present influence means that it should be trying to export, rather than import capital. The system could be changed so as to allow foreign banks greater access to yen funds, he implied. Mr. Tugendhat also criticised controls on the opening of new branches as a de facto form of discrimination against foreign banks.

Rhodesian Executive refuses to reverse sacking of Hove

BY TONY HAWKINS

THE CRISIS over the dismissal of the black Justice Minister Mr. Byron Hove apparently remained unresolved to-night when the four man transitional Executive Council refused to reverse its decision last month relieving Mr. Hove of his post after a seven hour meeting.

Bishop Abel Muzorewa, leader of the United African National Council (UANC) who appointed Mr. Hove, "reserved his position" — the official statement said. The UANC warned after Sunday's meeting the party was likely to pull out of the agreement unless Mr. Hove was reinstated.

To-night two official statements implied there was no imminent likelihood of UANC withdrawal. Mr. Ernest Bulle, the Finance Minister, was to-night said to be flying to South Africa to-morrow with his white counterpart at the Finance Ministry (Mr. David Horwood), the South African Finance Minister and Mr. J. C. G. Heunis, the Pretoria Minister of

Planning, to meet Senator Owen Hoenig, the South African Finance Minister and Mr. J. C. G. Heunis, the Pretoria Minister of

SALISBURY, May 9.

Economic Affairs. The Rhodesian Ministers will return to Salisbury on Friday.

Perhaps more significant is an official statement to-night stating the four members of the Executive Council will to-morrow address a multiracial meeting at Nirewa in the operational area North East of Salisbury.

This hardly suggests the UANC is on the brink of withdrawal.

Tonight's official statement says all four members of the executive—including the Bishop—attended all Executive Council meetings at which the Hove case was discussed. (The Bishop has claimed the decision to dismiss Mr. Hove was made without his agreement and in his absence.)

• To-night Rhodesian forces were searching through dense woodland close to the Mozambique border for the guerrillas who murdered two white women and wounded four guests at Layanga's Montclair Casino Hotel 15 miles from the town of Vila Real de Santo António, the Mozambique border.

Mulder backs secret fund

BY OUR OWN CORRESPONDENT JOHANNESBURG, May 9.

NO RULES apply when the future of South Africa is at stake, Dr. Constance Mulder, Minister of Information, told the South African Parliament to-day.

South Africa was under attack by people who followed strict rules and paid out large sums of money without Treasury approval.

The only offences proved

against the department were that the relevant financial procedures had not been satisfied, the Minister said. Although this had led to unauthorised expenditure, the state had not lost any money.

Dr. Mulder implied, however, that "press character-assassination" had made it impossible for

De Eschel Rhodius, head of the

Information department, to remain in his job, although he

would not be dismissed immediately.

Election boost for Mrs. Gandhi

BY K. K. SHARMA

MRS INDIRA GANDHI, former Prime Minister of India, to-day won a major political victory

that boosts significantly her chances of returning to power. She achieved this when her Congress (I) candidate, Mrs. Mohinsingh Kidwai, defeated the ruling Janata Party candidate, Mr. Ram Bachan Yadav, by more than 35,000 votes in the Avangard parliamentary by-election in the politically important state of Uttar Pradesh in Northern India.

The Congress (I) also won two

NEW DELHI, May 9.

Uttar Pradesh legislative assembly seats to which elections were held, indicating that the parliamentary by-election result was a definite trend in her favour.

From Mrs. Gandhi's point of view, it was a great morale-booster as her Congress Party was totally rejected in parliamentary elections in March 1977, when it did not win a single seat in any of the nine northern Hindi-speaking states which together form the basis of political power in the country.

Dai Hayward writes from Wellington.

Quentin Peel, recently in Transkei, reports on the Republic's problems

Avoiding insolvency

THE SHOWPIECE of South Africa's policy of separate development, the Republic of Transkei, is rapidly degenerating into a tragic parody of the problems of Third World development. A combination of political cutbacks and financial incompetence are leading the impoverished tribal homeland rapidly towards a financial crisis, or even into insolvency.

The heart of the problem for Chief Kaiser Matanzima, the first homeland leader to accept independence, 18 months ago, from Pretoria, is the lack of international recognition of Transkei. It is a capital offence for any Transkeian to question the sovereignty of the state. Such a Draconian threat, at top of a fast-growing complex of costly legislation providing for detention without trial, is an indication of the sensitivity of the issue to Chief Matanzima. The desire to prove his genuine independence was certainly a major factor in his decision to renege on diplomatic relations with South Africa on April 20. It is also the driving force behind all efforts at economic development.

Senior officials and financial advisers from Transkei are currently negotiating for a major international loan. The Minister of Finance, Mr. Tepe Letlaka, has announced that at least R100m (£26.25m) is needed, while informed sources suggest that as much as R200m (£12.5m) may be sought. According to the sources in Cape Town, the capital, the Transkei government is negotiating through a California finance house for a loan from unspecified Middle Eastern sources, with a term of at least 20 years, and an interest rate of around 8.5 per cent, undeterred by the fact that the South African Government has largely withdrawn from international capital markets because of the high premiums demanded of it.

Chief Matanzima is confident of raising the money he needs. "I think you had better leave the whole issue to us," he said in an interview with the Financial Times. "We have no difficulties about it. We have friends in the international world." He, however, caught in a severe dilemma. In the absence of international recognition, Transkei is unable to obtain aid or soft loans from the normal sources for developing countries, such as UN agencies and the World Bank. His only alternatives are the South African Government or bank capital.

South Africa already finances more than one third of the Transkei budget, but any major increase of aid is seen on both sides as prejudicial to Transkei's image of independence. "South Africa does not want to be seen to be well-nursing Transkei," according to one seconded South



grants of capital developments of which many wealthier developing countries might be envious, including a whole series of prestige projects apparently intended to give the country the trappings of independence: the University of Transkei, the K.D. Matanzima International Airport, and most recently, plans for a new harbour so that Transkei need not rely on South African ports.

In the survey, Transkei has made some spectacular progress in developing what has never been more than an unpopulated labour reserve for the South African economy. Building is in progress on every side of Umtata. It already had boasted a respectable town hall and National Assembly building. Government officials are now moving into a new 12-storey office block.

Much of the housing is new, to cater for new civil servants, government ministers, and executive advisers and business men. The town now has an "international" hotel in its local Holiday Inn opposite the site of the 157m (£25.8m) university in Butterworth, the only other significant town. 15 new factories, admittedly on a very modest scale, were installed in

area where the country boasts real potential, remains a relatively low priority, whereas the expensive process of establishing factory jobs—where 150 jobs cost around R1m, in government spending—is strongly promoted. According to the Transkei Government—and in the absence of reliable figures, some 90 per cent of the country's food requirements still have to be imported from South Africa, although the homeland contains some prime agricultural land.

Apart from two enormously capital intensive irrigation schemes, the only notable agricultural development has been the encouragement of contour ploughing which has alleviated erosion of the erosion caused by traditional farming methods.

Without increasing yields at all.

The strategy appears to reflect that of the South African Government in developing homelands. "You cannot disturb the traditional tribal relationships," according to one South African adviser. "Wholesale agricultural development is out of the question."

Not only is the South African development strategy (if the absence of planning can be called a strategy) questionable,

but there seems to be a distinct reluctance in Pretoria to give

Transkei the aid or soft loans

which it cannot obtain from international agencies. The South African grant of R113.5m (£20.9m) has remained constant for three years. According to calculations by the Transkei, it represents considerably less than the amount paid in taxes by Transkei citizens living in the white republic.

The desire of the Transkei

government to prove its indepen-

dence has meant that anyone

who carries a non-South African passport is preferred as an adviser, however flimsy his credentials. Umtata has attracted literally dozens of notorious "shuro hoppers" who have travelled from one independence ("shuro") celebration to another in Africa, promoting dubious development projects and offering non-existent international finance.

If Transkei fails to raise its

international loan, or to raise its

full needs, then some observers

believe there would be a serious

danger that it might run out of

funds before the end of the year.

The heavy involvement in capital

spending means that expenditure

will be very difficult to cut. Civil

and financial inquiries from

American, French, Swiss, Italian,

and Spanish sources have already

been received."

Transkei is, however, desperately lacking both sound advice and the economic backing for developments on the scale planned. Agriculture, the one

Zambians draw on IMF aid

BY JUREK MARTIN, U.S. EDITOR

ZAMBIA has begun drawing from the \$290m facility negotiated with the International Monetary Fund (IMF) in March. Government sources said yesterday an RDR49m compensatory financing facility was disbursed last week and the first CDR50m tranche of the standby credit was expected to be drawn this week, our Lusaka correspondent writes.

The facility is to be used for balance of payments support. While it is expected to make only a relatively small inroad into the import pipeline of some \$550m, Zambia is clearly hoping that the disbursement will help persuade exporters that the nation's decline has been arrested.

Despite this, the symptoms of the ailing economy continue.

The Temisan subsidiary of Agip, the Italian oil concern, was accused yesterday of threatening to halt the supply of fuel and other oils to the Zambian Tazama pipeline company unless arrears of Kwacha 100,000 (\$125,000) were paid.

The accusation was made by Mr. Friday Nhlolyo, Tazama's managing director, who said fuel supplies for pumping stations and other pipeline facilities would have been halted on Monday if the Bank of Zambia had not arranged for a remittance from the nation's chronically short foreign exchange reserves.

Kabul talks

AFGHANISTAN'S President Nur Mohammad Taraki has had talks in Kabul with two Pakistani politicians prominently linked with secessionist tendencies in Pakistan's North-West Frontier Province, according to Kabul radio. Reuter reports.

Bangladesh paralysed

Government was paralysed in Bangladesh yesterday when 600,000 low-income workers went on strike for a 15 per cent increase. Reuter reports from Dacca. All Government offices, courts and hospitals were forced to close as clerks and other workers failed to report for duty.

Trade surplus cut

Australia's trade surplus narrowed to \$105m in April, compared with \$138m a year earlier. AP-DJ reports from Canberra. Exports totalled \$104.6bn., down from \$104.2bn. in April 1977. Imports amounted to \$115.6bn., compared with \$108.6bn. a year ago. The trade surplus for the ten months to April narrowed to \$390m, down from \$414.9bn. for the corresponding period a year earlier.

Message for Mondale

Mr. Walter Mondale, the U.S. Vice-President, has been given a clear understanding by New Zealand that the U.S. expects the U.S. to give a lead in breaking down trade barriers. Dai Hayward writes from Wellington.

AMERICAN NEWS

Progress on Mideast arms sales

BY JUREK MARTIN, U.S. EDITOR

PRESIDENT CARTER appeared to-day to be inching his way to another substantial foreign policy victory as Congressional opposition to his proposed Middle East arms sales package began crumbling.

Amid lobbying as intense as that which preceded the Panama Canal vote, several key senators suggested this morning that a compromise solution was in the air which might ensure approval of the purchase of U.S. fighters by Israel, Saudi Arabia and Egypt.

Central ingredients to such a deal would probably include an Administration undertaking to sell more sophisticated F-15s fighters to Israel at some future date of the President's choosing.

The Temisan subsidiary of Agip, the Italian oil concern, was accused yesterday of threatening to halt the supply of fuel and other oils to the Zambian Tazama pipeline company unless arrears of Kwacha 100,000 (\$125,000) were paid.

The accusation was made by Mr. Friday Nhlolyo, Tazama's managing director, who said fuel supplies for pumping stations and other pipeline facilities would have been halted on Monday if the Bank of Zambia had not arranged for a remittance from the nation's chronically short foreign exchange reserves.

The recent spate of daily bombings mark an increase in activity, while the rocket attack on Jerusalem at the weekend suggests about

the recent bombing of the occupied West Bank.

The recent bombing of the occupied West Bank.

Meanwhile, the Israeli Prime Minister, Mr. Menachem Begin, said on his return here yesterday from the U.S. that the cabinet would soon

be meeting to discuss the future of the occupied West Bank.

The recent bombing of the occupied West Bank.

مكتبات الأذل

WORLD TRADE NEWS

Boeing wins £500m. order from Singapore Airlines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SINGAPORE AIRLINES, one of the most rapidly expanding airlines in the world, is expected to sign a contract in New York to-day for new jet airliners from Boeing worth over \$21bn. (Singapore) or more than £500m. This will be one of the biggest single aircraft orders ever announced.

SIA said in Singapore yesterday that the deal would include firm orders for ten Boeing 747 long-range Jumbo jets, and four short-to-medium range 727s, with options on a further three Jumbos and two 737s.

The airline said that it proposed to sell its existing fleet of seven Boeing 747s equipped with early models of the Pratt & Whitney JT-9D engines, and

the airline has recently begun a new all-cargo service between Singapore and the U.S. West Coast and San Francisco, via Hong Kong, and it is due to start a new

service to London next year.

Hitherto, the airline has concentrated all its expansion on its routes to Europe, but it now intends to develop also its links with the U.S., where it sees a big market in tourist traffic as well as in cargo, as the Pacific basin becomes more and more an American tourist travellers' province.

Another reason for Singapore Airlines' fast growth is good service. A recent independent survey of travellers named the airline as the most popular in Asia.

• AN ORDER for a Rolls-Royce-powered TriStar from Delta Air Lines brings the total bought this week to four. Saudi Arabian Airlines bought three on Monday, bringing their total to 13.

The four together are worth more than £80m., of which some 747 passenger services to San Francisco in April next year.

RB 211 engines.

U.K. sales to S. Africa down

BY BERNARD SIMON

BRAZIL MAINTAINED its Africa's gross export earnings position last year as South Africa's largest export market amounted to R1bn.

Britain's declining importance among the Republic's foreign suppliers. The U.K. last occupied its traditional spot as South Africa's biggest source of imports in 1975.

According to figures from the Department of Customs and Excise (which excludes trade in bullion, arms and oil), South Africa imported goods worth £1.1bn. with R1.5bn. the previous year. Switzerland and

Imports from the U.S. in 1977 followed in importance by Japan, West Germany, France and

South Korea and Sri Lanka.

Exports to the U.S. however, rose steeply from R450.7m. in 1976 to R757.5m., raising it from 22 per cent of the total, while foreign markets. The rise was the proportion of exports for chiefly to increased purchases of Krugerrand gold coins and steel.

The U.K. reached almost 28 per cent of South Africa's total exports in 1976.

Imports from Britain in 1977 were roughly 16.4 per cent of total U.K. imports, and R155m. lower than in 1976. Exports to the South Africa. The few Venezuela. In the latter case

U.K. last year totalled R1.5bn., countries from which imports the drop was entirely due to a sharp drop in maize shipments.

Chinese steel mission planned

BY COLINA McDougall

AN IMPORTANT Chinese steel mission is already in place to visit Britain on Friday for a 17-day tour of British iron and steel plants. It will be led by Tang Ke, Minister of the Metallurgical Industry, and is expected to meet the industry and trade secretaries, Mr. Eric Varley and Mr. Edmund Dell.

The group will also meet Sir Charles Villiers, chairman of British Steel, and Sir John Buckley, chairman of Davy International, both of whom went to China last autumn. The present Chinese visit follows up their discussions in Peking and the November tour of Britain by the Chinese Foreign Trade Minister, Li Chiang.

The Chinese group is due to visit British Steel plants in Scotland, Wales, and north-east and the Sheffield area. They will also view private sector equipment belonging to Davy International, Firth Brown, Osborn Steel and available from Britain and re-

substantial purchases.

Hart approves £50m. India grant

MRS. JUDITH HART, Minister for Overseas Development, has approved the allocation of £50m. which is needed for the future development of the power sector, to India from aid funds as a prospectus of the rural economy grant for the purchase by the Indian Government of India of British goods and services for the power sector.

The grant will finance a wide range of new equipment, spaces, made available to Czechoslovakia, belonging to Davy International, components and materials—all slovenska Obchodni Banka,

AUSTRIA'S MOTOR MARKET

Hopes for home industry

BY PAUL LENDVAI IN VIENNA

THE DETERIORATION of Austria's visible trade balance between 1975 and 1977 and the introduction of a special 30 per cent value-added tax—the normal rate is 18 per cent—on imports from last January have combined to sharpen foreign competition for the Austrian car market.

At the same time the Austrian Government's plans for joint ventures and car assembly has aroused interest among Soviet, U.S. and Italian car manufacturers.

During the past ten years Austria has become an increasingly important market for car exporters. Its growing affluence was reflected in a jump in car registrations that raised the number of cars on the road between 1968 and 1977 by 87 per cent, to almost 2m., among a population of 7.5m.

This contributed to a visible trade deficit of Sch.71.4bn. (£2.55bn.) last year, a jump of Sch.19.6bn. on 1976. Worse, in visibles, mainly tourism, have failed to offset the visible trade gap as before.

The Government thus began to discuss a kind of surtax on "luxury durables" including cars. But in Austria nothing can be kept secret for more than 24 hours, and the result was an unprecedented rush to the car dealers before the new tax. As a result, new car registrations last year reached 205,936, against 225,467 in 1976 and 185,167 in 1975.

Consequently, car business was almost all at the beginning of

Renault, setting up a foundry 50,000 a year.

Turkey resumes payments for imports

By Metin Munir

ANKARA, May 9.

TURKEY RESUMED limited import transfers to-day after an interruption of 14 months. They had been stopped in February, 1977, because of a severe shortage of foreign exchange other than that for oil and other emergency goods.

Another reason for Singapore Airlines' fast growth is good service. A recent independent survey of travellers named the airline as the most popular in Asia.

• AN ORDER for a Rolls-Royce-powered TriStar from Delta Air Lines brings the total bought this week to four. Saudi Arabian Airlines bought three on Monday, bringing their total to 13.

The four together are worth more than £80m., of which some

747 passenger services to San Francisco in April next year.

RB 211 engines.

The transfers, by the Central Bank, will be regulated according to a programme of priorities.

According to Finance Minister Ziya Muezzinoglu the list of priority goods "is headed by the urgent requirements of our economy like iron and steel, petrochemical raw materials and products, coal, fertilisers, pharmaceuticals, various basic requirements of our industry like spare parts.

Apart from those, Mr. Muezzinoglu said, in particular industrialists awaiting transfers of given sizes, which he did not specify, would be made according to their chronological order.

Mr. Muezzinoglu said his purpose was to meet the urgent requirements of industrialists and exporters, expand capacity usage in plants "which have come close to stopping manufacture goods," he said. "There is indeed a real danger of retaliation if we use the Community in ways which disregard the interests of our trading partners."

However, Mr. Dell pointed out that the threat was not confined to manufactured goods. "I find quite as much objection among our overseas customers to the protectionism of the Community in agriculture," he said, adding that in that area the EEC had indeed received specific threats of retaliation. That consideration had been omitted from Count Lambsdorff's analysis.

Speaking at a Foreign Press Association lunch in London, Mr. Dell said he shared Count Lambsdorff's concern, drawing particular attention to the risks of retaliation by other countries arising from protectionist actions.

"In our trade in

Japanese group's visit to Europe seen as a success

BY CHARLES SMITH

TOKYO, May 9.

NO MAJOR arguments developed during the recent mission to Europe by the Japan Federation of Economic Organisations (Keidanren) because the explosive problems which had existed during the previous Keidanren visit in October 1976 had been substantially solved, Mr. Toshiro Doko said.

It had been discussed recently between Mr. Nobuhiko Ushiba

(Japan's Minister for Overseas

Economic Relations) and Mr. Wilhelm Haferkamp (EEC Commissioneer for External Relations).

Mr. Doko said Keidanren had agreed at talks in Brussels with the European Federal of Business and Employers (UNICE) that Japan would achieve a 7 per cent growth rate. The transfer of major sources of friction had existed at the time.

These involved "excessive"

Japanese penetration of the EEC

markets for cars, ships, steel, ball

bearings and colour TVs. All

four problems had since been

dealt with through various

Japanese "restraint" measures

and no comparable difficulties

had cropped up in other

industries.

Mr. Doko said there had been demands for better access to the Japanese market for products

during Keidanren's April mission

but these did not develop to the over-involvement by Japan in mass production and mass marketing.

The major unsolved problem in EEC-Japan relations—how to handle trade in farm products—was a problem for governments rather than for businesses, Mr. Doko said.

It had been discussed recently between Mr. Nobuhiko Ushiba

(Japan's Minister for Overseas

Economic Relations) and Mr. Wilhelm Haferkamp (EEC Commissioneer for External Relations).

Mr. Doko said Keidanren had agreed at talks in Brussels with the European Federal of Business and Employers (UNICE) that Japan would achieve a 7 per cent growth rate. The transfer of major sources of friction had existed at the time.

These involved "excessive"

Japanese penetration of the EEC

markets for cars, ships, steel, ball

bearings and colour TVs. All

four problems had since been

dealt with through various

Japanese "restraint" measures

and no comparable difficulties

had cropped up in other

industries.

Mr. Doko said there had been

demands for better access to the

Japanese market for products

during Keidanren's April mission

but these did not develop to the over-involvement by Japan in mass production and mass marketing.

The major unsolved problem in EEC-Japan relations—how to handle trade in farm products—was a problem for governments rather than for businesses, Mr. Doko said.

It had been discussed recently between Mr. Nobuhiko Ushiba

(Japan's Minister for Overseas

Economic Relations) and Mr. Wilhelm Haferkamp (EEC Commissioneer for External Relations).

Mr. Doko said Keidanren had agreed at talks in Brussels with the European Federal of Business and Employers (UNICE) that Japan would achieve a 7 per cent growth rate. The transfer of major sources of friction had existed at the time.

These involved "excessive"

Japanese penetration of the EEC

markets for cars, ships, steel, ball

bearings and colour TVs. All

four problems had since been

dealt with through various

Japanese "restraint" measures

and no comparable difficulties

had cropped up in other

industries.

Mr. Doko said there had been

demands for better access to the

Japanese market for products

during Keidanren's April mission

GKN may win £190m. E. German plant deal

By Leslie Collier

EAST BERLIN, May 9.

EAST GERMANY is expected shortly to sign one of its largest contracts with a Western company to build and equip a factory producing transmissions for a new East German car.

Guest Keen and Nettlefold (GKN) of the United Kingdom and Citroen of France are front-runners in negotiations for the £190m. contract.

Both sides have agreed to pay largely in transmission parts that the plant, which would be built in Zwickau, where the Trabant, which has a two-stroke engine and a glass-fibre body and is Eastern Europe's cheapest car, is produced.

The East Germans have been informed that the U.K. has agreed to ensure the full credit in sterling.

GKN and Citroen teams are in East Berlin negotiating with the country's foreign trade organisation, Industrie-Anlagen Import. Bankers from Morgan Grenfell and Credit Lyonnais are participating on their respective sides.

East Germany has been talking to Western car companies on and off for years, among them General Motors, BMW and, most recently, Volkswagen, on various projects, but this is the first time one of them has reached serious negotiations.

The East Germans are also holding talks with Renault on a four-cylinder engine, which would be built under licence. The two-stroke engines powering the Trabant and the Wartburg, the country's more expensive car, are regarded as prominent sources of pollution and are to be replaced in a newly designed East German car.

The projected transmission plant would also turn out units for a future Czechoslovak Skoda car.

Dell fears reaction to protectionism

FINANCIAL TIMES REPORTER

THE "DEEP concern" voiced last week by Count Otto Lambsdorff, West Germany's Economics Minister, about escalating protectionism, was echoed yesterday by Mr. Edmund Dell, Britain's Secretary of State for Trade. But Mr. Dell criticised Count Lambsdorff for omitting two important considerations in his analysis: the EEC's protectionist attitude in agriculture and the internal political pressures to which governments are subjected.

How much funds the Central Bank has available for import transfers has not been disclosed but it is believed that the bulk of it consists of a \$150m. tranche made available under a recent agreement with the International Monetary Fund.

Mr. Dell argued, was another consideration Count Lambsdorff had omitted from his analysis.

"Such pressure, surely," said Mr. Dell, "especially where economic depression makes the problems of adjustment to more difficult."

He cited as an example the West German Government's support for such anti-competitive market-sharing proposals as the U.N. liner code.

HOME NEWS

Dock site for fish market approved

By Paul Taylor, Industrial Staff
PLANS TO transfer Billingsgate fish market from the City of London to a new site in the West India Docks were approved yesterday by the Dockland Joint Committee.

The scheme, which has the tentative approval of Mr. Peter Shore, Environment Secretary, was passed by Greater London Council and local council delegates on the committee's Lands Board sub-committee without objection.

The London Fish Merchants' Association has chosen the new site comprising Shed 36 and about 13 acres on the north quay of West India Dock. Under the proposals, estimated to cost £6m, Shed 36 will be expanded to provide offices, market and cold storage space.

There are three main possible sources of finance for the project. The City of London, which wants to retain an interest in the market, would like Tower Hamlets Council to seek an urban aid grant in lieu of some of the cost. The City would then lease the site from Tower Hamlets, and in turn lease stalls to market traders.

The Department of the Environment would prefer the City Corporation to pay for the new market out of profits said to be available from redeveloping the Billingsgate site. The City says it could not afford to finance the new market.

The last possibility is for market traders to form a market authority and ask for funds from the Ministry of Agriculture and Fisheries.

Extra spending cash raises retail sales

BY DAVID FREUD

THE ADDITIONAL spending category rose from 109 in February to 115. It is being strongly reflected in the level of retail sales.

The volume of sales in the first three months of this year was 1.8 per cent. upon the previous quarter and nearly 3 per cent. higher than the level of the same period in 1977.

The increase was spread evenly across all the categories of retail trade.

The final figures for March, published yesterday, show a sharp upwards revision in line with the buoyant trend. The index of the volume of retail sales rose to 107 (1970=100, seasonally adjusted), compared with the provisional estimate of 106.

This final figure is an increase on the February index of 106.8 and the highest figure since August, 1978. Nevertheless, it is still far below the peak of 111 recorded in the first quarter of 1973.

The steady increase in the volume of sales since December tends to confirm expectations that a strong consumer boom will develop from about July.

Mr. Richard Weir, of the Retail Consortium said: "The forecasts of a 1 per cent. volume gain in sales from 1977 to 1978 are looking increasingly likely."

The underlying factor in the buoyant sales is the increase in personal disposable incomes.

Figures released with the Budget show that this will have risen by about 7 per cent. in the year to mid-1978.

A breakdown of the March final figures shows a strong increase in sales from clothing and footwear shops. The seasonally-adjusted index for this

rose 1 per cent. in the latest three months, while sales by food shops rose 1 per cent.

The hire purchase figures confirm the indications of a revival in consumer spending. In the first quarter total advances were 8 per cent. higher than in the previous three months.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

However, on a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months.

On a quarterly basis sales were up 2 per cent. in the three months January to March, compared with the last quarter of 1977.</

peline
k will
ost
a gas
pplies

Export groups clash on Bill

By Maurice Samuelson

TWO EXPORT bodies sponsored by the Government clashed yesterday over plans to curb the Arab boycott by introducing legislation similar to that recently adopted in the U.S.

A third body expressed fears that the moves could cost Britain's balance of payments £2bn. a year in lost Arab orders.

The Council for Middle East Trade and the British Overseas Trade Group for Israel presented diametrically opposed arguments to the House of Lords select committee studying the Foreign Boycott Bill.

The Bill, drafted by Lord Evers, the Liberal peer, would bar companies from answering questionnaires from the Arab boycott office.

Lord Limerick, chairman of the council, said that the Bill would deprive companies of the freedom of choice about where to trade, and would put all Britain's exports to the Arab world potentially at risk.

It would antagonise and unite Arab countries who would turn elsewhere for consultancy services, automotive products and consumer goods which they now obtain here.

This was disputed by the British Overseas Trade Group for Israel, originally set up because the council, in compliance with the boycott, did not deal with exports to Israel.

Quality

Mr Michael Sleef, the group's chairman, said that Arab customers bought British goods because of their quality, and that they would not switch their trade, sterling balances or insurance business elsewhere.

Because of "ungrounded fears" of the boycott, British companies were not involved in major development contracts in Israel, such as a £400m power station now under construction.

Earlier, representatives of the Middle East Association, a private body with 450 members, told the select committee that £2bn. a year would be lost to the balance of payments if Britain adopted anti-boycott legislation.

Arab customers would cancel contracts overnight, said Lord Denman, the association's vice-president. "Meddling with the boycott problem can only harm British interests, and the sooner the Bill is put to bed the better."

Talks with IMF team start tomorrow

By David Freud

TALKS WILL start in London tomorrow on whether the U.K. will keep the standby credit guaranteed by the International Monetary Fund in being for the rest of the year.

The existence of the standby credit binds the U.K. Government to the policy guidelines agreed with the fund at the end of 1978 and reaffirmed last December.

The talks between a fund team and the Treasury will last about 10 days. The Government has still not decided whether to cut free from the standby—an indication of the low priority attached to the talks.

The Government might not decide until the talks are well under way.

Target

Whatever the decision, however, there will be no practical consequences. If the standby lapsed the U.K. would retain its own money supply target and a public sector borrowing requirement just below the official limit agreed with the fund.

Retaining the standby until the end of the year—when it will lapse anyway—might help to calm the foreign exchange markets, which have been jittery in the past few weeks.

CONTRACTS

Test track for Leyland

WORK HAS started on a £3.5m test track complex in Lancashire for Leyland Vehicles. It will form part of a £33.7m Vehicle Engineering Centre to be developed on a 150-acre site at Moss Side, two miles west of Leyland. Main contractor is A. MONK AND CO.

There will be three main circuits, totalling over 5 km, with straight sections, loops and interconnecting strips, turning circles and a central area service road. Belgian paving and corrugated surfaced sections are included, as well as conventional asphalt surfaced roads.

There will be areas for noise, steering, braking and other tests. A water trough will provide for brake soak tests and there will be test hills of different gradients. The high speed circuit is banked, connected to a braking straight, with wetting facilities. A marshalling area and track work-

HOME NEWS

Jenkins urges end of green pound

BY RHYTH DAVID, NORTHERN CORRESPONDENT

EUROPE must make further progress towards eliminating currency instability and towards the phasing-out of the "green pound" and other artificial units of exchange, Mr. Roy Jenkins, President of the European Commission, said in Manchester yesterday.

Mr. Jenkins claimed Europe's currency instability had been a major factor in the poorer industrial performance of the Community in recent years when compared with the two other major world trading blocks, the U.S. and Japan.

At a time of severe depression the EEC had had to deal with currency fluctuations not only in other countries but internally as well, placing an extra strain on it. There was now a strong case for creating a zone of greater stability involving some if not all the EEC currencies.

His main concern over currency variations, however, was the effect on the Common Agricultural Policy. The creation of money compensatory amounts, such as the "green pound," to counter the effects on consumers within certain countries of higher farm prices had

resulted in an administrative barrier to trade.

Different price levels for farmers in different countries led to a distortion in competition and in the use of resources and there should now be an orderly phasing-out of the compensatory amounts system.

Mr. Jenkins, speaking at a seminar organised jointly by the Sun newspaper and the Institute of Grocery Distribution, defended the Common Agricultural Policy against what he claimed were unjustified attacks in Britain.

Food prices in the shops in the U.K. had increased by only 6.4 per cent over the last 12 months—lower than the overall rate of inflation of around 10 per cent.

The EEC Commission's farm price proposals would result also in an increase of only 0.8 per cent in prices in the shops over the next 12 months.

The Common Agricultural Policy had also produced stability of food supplies for the consumer and of income for the farmer, avoiding the danger of erratic changes in farming production. Mr. Jenkins said that although

surpluses represented a serious problem their size was often exaggerated and that in many cases the lakes and mountains of different products amounted to no more than a few weeks' or days' supply.

He also firmly rejected charges in Britain that the Commission had ever wanted to kill off daily home deliveries of milk.

Europe as a major milk producer had a vested interest in insuring a high level of milk consumption and the Commission had proposed four months ago not only that the essential functions of the milk boards should be retained but that the surplus should be made available in other member states.

The emphasis should now be changed from support for inefficient agriculture towards support for efficient feeding of the people.

To our regret the other members have not shown much enthusiasm and the system will probably be limited in the first place to Britain.

"We have proposed no cut-off date for the milk boards, we do not wish to abolish them after 1982, and all that is envisaged is a review before 1983 to see whether the systems cannot be generalised in the Community as a whole."

A more critical view of the



ROY JENKINS
"Phase-out green pound."

State moves 'helped to hit Spillers'

BY CHRISTOPHER DUNN

MR. THEO CURTIS, chairman of the Federation of Bakers, claimed yesterday that "misguided" Government intervention in the bread industry had helped to force the early closure of Spillers' baking interest.

He told the Federation's annual meeting in London that the bread industry had suffered badly under general pricing policies set up by the Government.

The effect of the system as operated at present had adversely affected the food chain, leading last year to EEC wheat and beef prices twice as high as world prices, to butter prices four times as high and skimmed milk prices six times as high.

There was an urgent need to develop the agriculture policy into a common food policy.

These discounts had suddenly been abolished early in January last year, subsequently boosting retailers' profits at the expense of the bakers.

The Government had been warned consistently in the past two years that its attitudes had destructive implications, but the warnings had been ignored.

The Government had not realised that wider implications were involved than underselling of bread in supermarkets.

The large-scale baking industry had suffered particularly severely under planning controls imposed by the Government. It had also suffered through its legal inability to take effective measures to counter the market power acquired by its retailer customers.

Peak District limestone plan given go-ahead

BY PAUL CHEERSRIGHT

MR. PETER SHORE, Secretary High Court only if the Secretary for the Environment has overruled the objections of the Peak District National Park and—the substance of the decision granted planning permission to is beyond appeal.

Nevertheless, Mr. Shore's decision is likely to add fuel to the debate on the role of the National Parks. While it is accepted that the concept of National Parks is approved by all political parties, the feeling remains that individual planning permissions are eroding the amenities the parks were established to offer.

At the same time the amenity groups feel that the Government should grant permissions for limestone development only within the context of a national limestone policy. This does not exist.

Limestone is used in the manufacture of soda ash and high quality lime. Mr. Shore told ICI that production of surplus for use in aggregates should be kept to the minimum.

The Peak Park Joint Planning Board originally refused planning permission to ICI. This prompted an appeal by ICI, which has now proved successful.

The new quarry will be next to ICI's existing Tunstall Quarry, from which limestone is taken by rail to chemical works in Cheshire.

The grounds for the grant of planning permission rest on the national interest and the lack, on the basis of present knowledge, of any alternative source.

I have come to the conclusion that although the proposed quarry would inevitably have a significant effect on the environment like the National Parks, the Council for the Preservation of Rural England and the Countryside Commission, ran from disappointment to anger.

They do not, however, have any means of appealing against the decision. The planning process has run the full course, cladded in his report to Mr. Sergeant, which can seek redress in the Shore.

If your factory is in one place, and your customers are all over the place, you could have a problem.

It has been known to lead companies into investment in physical distribution at the expense of the more profitable parts of their business.

That's where Superbriz, (alias BRS) can help.

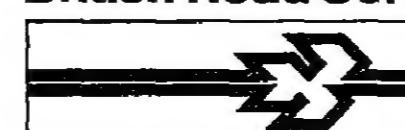
We're everywhere your customers' premises are—with all the facilities to match any distribution schedule.

We have both the close appreciation of local needs and the nation-wide resources (over 150 branches) to ensure the right help with any transport problem.

It can be anything from a one-day, one-truck rental... to a total distribution service.

For we see ourselves as transport problem solvers, finding solutions that fit individual problems—unlike those who do it the other way around.

British Road Services Limited



—just say 'Superbriz'

shop form part of the Monk contract, together with a 55-metre span bridge on the main access route. Formed embankments, security and noise attenuation fencing, and extensive landscaping are included.

CORY DISTRIBUTION has a £1m contract to distribute non-perishable groceries, wines and spirits to all branches of Cater Bros., the foods division of Debenham's, from June 5. Cater Bros. has 40 supermarkets and foodhalls spread over the U.K. Cory will use a fleet of 18 articulated vehicles—mostly 28-ton gross tractors with trailers between 27 feet and 33 feet.

He explained he wanted guidance about residential status for a client, and I explained the yardstick used by the Bank to pending consideration of an appeal.

Brent and Ninian crude.

REISS ENGINEERING has received a £150,000 order from Stone and Webster for automatic cleaning equipment, said to be the first of its kind, for four new PVC reactors. These are to form part of the expansion project for British Petroleum Chemicals at the Barry plant in South Wales.

* KENT INSTRUMENTS is to supply a second metering station complex to the Sulion Voe oil terminal in the Shetland Islands. The station, worth £1m, will deal with liquefied petroleum gas from the

Radiant facility at Radlett, Herts.

* KENT INSTRUMENTS is to supply a second metering station complex to the Sulion Voe oil terminal in the Shetland Islands. The station, worth £1m, will deal with liquefied petroleum gas from the

Radiant facility at Radlett, Herts.

* KENT INSTRUMENTS is to supply a second metering station complex to the Sulion Voe oil terminal in the Shetland Islands. The station, worth £1m, will deal with liquefied petroleum gas from the

Radiant facility at Radlett, Herts.

* KENT INSTRUMENTS is to supply a second metering station complex to the Sulion Voe oil terminal in the Shetland Islands. The station, worth £1m, will deal with liquefied petroleum gas from the

Radiant facility at Radlett, Herts.

HOME NEWS

Access buys 20% Eurocard stake

ACCESS, the credit card company owned by three of the U.K. clearing banks, has paid an undisclosed sum for a 20 per cent stake in Eurocard International, the European credit card system.

Mr. George Gilhespy, Access' executive, has joined the Board of Eurocard, which is based in Brussels.

The move is another step in a series of deals involving Eurocard whereby Access and other leading financial institutions plan to rationalise the credit card system in Europe.

The deal would make no difference to facilities for Access cardholders in the short-term, the company said yesterday. But buyers in Europe should increase steadily as Eurocard expanded.

Takeovers

Eurocard, which began operating in 1965, until now has been controlled by A. B. Finavendor, one of Sweden's largest finance companies. Eurocard subsidiaries operate throughout Europe.

Recently the local companies have been taken over by leading banks in the countries where they were operating, including the Caisse Nationale de Crédit Agricole in France, commercial and savings banks in Denmark, and commercial savings and cooperative banks in West Germany.

Since 1973 Access cardholders have been able to use their cards at the 70,000 Eurocard outlets throughout Europe.

In March Barclaycard, the credit card group owned by Barclays Bank, announced a scheme which offered cash advances in local currency throughout Europe, in conjunction with the world-wide Visa International credit card scheme.

Corrosion

THE DEPARTMENT OF Industry has published a revised Corrosion Prevention Directory. The first edition was published in November 1975.

Corrosion Prevention Directory, edited by Dr. P. J. Boden, HMSO, £2.25.

U.K. growth running at 5% — brokers

BY DAVID FREUD

GROWTH in the first three months of this year has been consistently understated by official statistics and may have been running at an annual rate of more than 5 per cent, according to Hoare Govett, the City brokers.

The firm's assessment is in marked contrast to that of most other commentators over the past month. Since the Budget, the Chancellor's 3 per cent growth target for the financial year 1978-79 has been widely criticised for being over-optimistic.

Hoare Govett, by contrast, say that the only way growth through the year could be throttled back to 3.5 per cent would be through higher interest rates. Higher rates would be necessary to stop the money supply expanding beyond the 8 to 12 per cent target range for sterling M3.

If M3 growth targets were relaxed the firm says "we would face a reasonably favourable short-term outlook, but the medium-term prospects for inflation and the balance of payments would be far from happy."

Conversely, if interest rates were raised the short-term implications would be difficult while "excess" growth was squeezed out, "but in the slightly longer-term conditions would become rather more encouraging."

The firm concedes that all point to an extremely weak economy, but feels it can override this data because of the "very strong tendency for the Central Statistical Office to revise upwards their initial estimates of any economic magnitude."

Vacancies

There is also a wide range of conflicting evidence from various indirect indicators. These include:

• Unemployment during the second half of last year and this year has been falling while unfilled vacancies have risen strongly—factors difficult to equate with economic stagnation.

• The strong rise in private sector non-residential investment last year and the evidence of the investment intentions

surveys taken in that year shows a pattern which normally develops in years above average growth.

• Imports of raw materials other than oil rose by about 4 per cent in real terms last year, the reverse pattern to that normal in the final stages of weakness when there is a rundown in stocks.

• The Statistical Office's own analysis of cyclical indicators points to last year as being a year of above average growth.

• The Government's tax revenues were extremely buoyant, particularly expenditure taxes, which implies spending must have been fairly strong.

The firm concludes that it is likely that last year showed growth of between 2 and 3 per cent, overall rather than the stagnant growth officially recorded.

"An acceleration, therefore, at the end of 1977 brought about by rising real disposable incomes and an easier monetary environment, could have taken the rate of growth to over 5 per cent, a year in the first quarter of 1978."

UN proposals for disclosures by multinationals 'unrealistic'

BY ARNOLD KRANSDOFF

SERIOUS misgivings have been expressed by the International Chamber of Commerce over the proposals by the UN to radically expand the financial and "social" disclosure requirements for multinational corporations.

With regard to non-financial information, the chamber says that it attempts to develop universal principles are "over-ambitious and unrealistic" and it calls on the UN to allow more time to consider the fundamental issues involved.

The chamber comments are the considered response by industry to the UN proposals. These come up for adoption at the fourth session of the Commission on Transnational Corporations at a 10-day meeting in Vienna, which

starts next Wednesday. Then, definitions and practice to guide deliberations.

It feels that "considerably more careful analysis would need to be given as to the purpose, relevance and need for non-financial and non-auditible data to be included in all companies' annual reports."

To attempt to develop universal principles to be applicable across a number of different industries and in different environments, was "both overambitious and unrealistic."

The chamber's submission includes a long list of "real concerns" which have been expressed by industry. It says it hopes that the Commission will view it as a constructive contribution to the debate.

Changes to employee shares plan proposed

By John Elliott, Industrial Editor

CHANGES to the Government's proposals for employee share ownership schemes contained in the Finance Bill now before Parliament were put forward yesterday by Mr. Nicholas Goodison, chairman of the Stock Exchange.

Speaking to an Industrial Society conference in London, he welcomed the income-tax concessions contained in the Bill for the share ownership form of profit sharing that he said he preferred to call "productivity sharing."

But some improvements could be made, the first of which was to allow the tax concessions to apply to cash handouts to employees as well as to money used to buy employees' shares.

Arrangements ought also to be made to include foreign and subsidiary companies which were "unnecessarily" excluded at present.

The Bill's proposed maximum annual handout of £500 per employee was "unrealistically low and did not allow for the responsibility carried by senior executives." A limit based on 10 per cent of an employee's gross salary would provide a more realistic incentive.

He thought that the tax treatment ought to be "more liberal."

The Finance Bill says that shares should have to be held for 15 years before all income-tax liabilities would be cancelled. Mr. Goodison thought this ought to come down to seven years with perhaps a high rate of tax during the first four years.

Finally, any restrictions on an employee selling his shares should be removed. At present the Finance Bill provides that an employee must hold the shares through a specially created trust for at least five years.

BRITAIN had become the "no depends" society," in which it was "no longer acceptable to work hard," Sir Maurice Laing, president of the Federation of Civil Engineering Contractors, said in London last night.

Sir Maurice said that he believed that the lack of incentive was the outstanding reason for the country's post-war decline.

"This is why we are producing re-introduce a system of incentives which encouraged people and companies to make every effort."

"Before and immediately after the last war, we were third

Commenting on the recent in the international standard of living league, and now we are the Chancellor had not taken the 16th. Our fall has been rapid

throughway space as anyone

which the country's prosperity too readily," Sir Maurice said yesterday.

He told Mr. Andrew Bennett (Lab., Stockport N.) in a Commons written reply: "The present valuation list for England and Wales dates from 1973 and is becoming steadily more out of date."

"Valuations have been deferred while the Layfield Committee on Local Government Finance was sitting and while we have been considering its report. But it is now time that work was started towards another general revaluation."

The system, known as DARTS, has been developed jointly by Ford and Kalamazoo Computer Services.

When parts sales are concluded, the stock record is updated and the information sent to Kalamazoo's accounting and stock control systems. It is also hoped that the system will speed up service invoices.

Ford is planning to introduce DARTS, which cost Kalamazoo \$300,000, to develop, throughout its European dealer network.

The terminal also produces

New rating valuations in 1982

BY TERRY DODSWORTH

FORD U.K. is launching a new sales invoices for cash sales or advice notes for credit customers. These show part numbers, a description of the parts, retail prices, VAT and any appropriate discounts for approved trade customers.

When parts sales are concluded, the stock record is updated and the information sent to Kalamazoo's accounting and stock control systems. It is also hoped that the system will speed up service invoices.

Ford is planning to introduce DARTS, which cost Kalamazoo \$300,000, to develop, throughout its European dealer network.

The terminal also produces

Suicide verdict on building society chief

FINANCIAL TIMES REPORTER

MR. HAROLD JAGGARD, build. "It is clearly a suicide note," society chairman, committed Mrs. Jaggard agreed. suicide hours after auditors Mr. Arthur Nudd, accountant spotted that £6.5m. was missing and auditor to the Grays, told the inquest that, on the day of Mr. Jaggard's death, the Grays ledgers had been checked, and a discrepancy had been found. Mr. Jaggard had been informed.

Detective Supt. George Raven told the hearing that he was satisfied no outside agency or person was involved. Mr. Jaggard had been "seriously worried about irregularities at the Grays which were about to become public knowledge," he said.

Accounts to be shown to the shareholders at their annual meeting this month will set out a £6.5m. deficiency in the society's book assets of film. Police inquiries show that about £200,000 in cash is missing.

The thefts, involving a period stretching from the late 1960s, were covered by ledgers in the society's ledgers. The curtains were drawn, and accumulated compound interest accounts for much of the £6.5m. in the garage. She found his note on the kitchen table.

At that point, the coroner produced the note and commented:

Sir Maurice Laing calls for incentives

FINANCIAL TIMES REPORTER

BRITAIN had become the "no depends" society," in which it was "no longer acceptable to work hard," Sir Maurice Laing, president of the Federation of Civil Engineering Contractors, said in London last night.

Sir Maurice said that he believed that the lack of incentive was the outstanding reason for the country's post-war decline.

"This is why we are producing re-introduce a system of incentives which encouraged people and companies to make every effort."

"Before and immediately after the last war, we were third

Commenting on the recent in the international standard of living league, and now we are the Chancellor had not taken the 16th. Our fall has been rapid

throughway space as anyone

which the country's prosperity too readily," Sir Maurice said yesterday.

He told Mr. Andrew Bennett (Lab., Stockport N.) in a Commons written reply: "The present valuation list for England and Wales dates from 1973 and is becoming steadily more out of date."

"Valuations have been deferred while the Layfield Committee on Local Government Finance was sitting and while we have been considering its report. But it is now time that work was started towards another general revaluation."

The system, known as DARTS, has been developed jointly by Ford and Kalamazoo Computer Services.

When parts sales are concluded, the stock record is updated and the information sent to Kalamazoo's accounting and stock control systems. It is also hoped that the system will speed up service invoices.

Ford is planning to introduce DARTS, which cost Kalamazoo \$300,000, to develop, throughout its European dealer network.

The terminal also produces

Computers will control Ford spares and sales

BY TERRY DODSWORTH

FORD U.K. is launching a new sales invoices for cash sales or advice notes for credit customers. These show part numbers, a description of the parts, retail prices, VAT and any appropriate discounts for approved trade customers.

When parts sales are concluded, the stock record is updated and the information sent to Kalamazoo's accounting and stock control systems. It is also hoped that the system will speed up service invoices.

Ford is planning to introduce DARTS, which cost Kalamazoo \$300,000, to develop, throughout its European dealer network.

The terminal also produces

Industrial lung disease compensation survey

BY TERRY DODSWORTH

THE POSSIBILITY of compensation for sufferers from asbestos and other occupational lung disease, where there is no employer to claim against, is to be examined by an inter-departmental working party being set up by Harold Walker, Employment Minister.

The diseases to be studied include the miner's lung disease, pneumoconiosis, which also affects slate quarrymen, and the lung disease that cotton workers can suffer.

The survey comes about four months after the storm of complaints which greeted the introduction of the Common Market egg grading method.

Dealers will operate the system through a number of point-of-sale terminals which will provide a link with Ford's national data communication service and control stock levels in their own branch.

Ford is planning to introduce DARTS, which cost Kalamazoo \$300,000, to develop, throughout its European dealer network.

The terminal also produces

Chef dismissed after 'culinary disasters' tribunal told

FINANCIAL TIMES REPORTER

UNSEASONED ratatouille and other "culinary disasters" led to the dismissal of a commis chef from Claridges Hotel, an industrial tribunal was told in London yesterday.

Mr. A. R. Boswood, counsel for the hotel, said the fact that Mr. Richard Elvidge was a trade union shop steward was not the reason he was dismissed.

Mr. Elvidge is claiming he was unfairly dismissed.

It was when Mr. Elvidge took over the Danish hors d'oeuvres at the Causerie, a subsidiary restaurant for light meals, that things began to go seriously wrong, said Mr. Boswood.

"The restaurant manager began to notice things were going wrong with the dishes. The herring dishes were not properly presented. The herrings were not cut to the correct size and their tails were left on."

"He complained to the chef, Mrs. Hobday, and she passed on the complaint to Mr. Elvidge.

"You will hear from her that Mr. Elvidge seemed incapable of doing even the simplest things carefully and properly; for example, cutting the herring the correct size and shape."

Mr. Elvidge also failed to emulsify the mayonnaise.

Asked if he thought that too little salt or seasoning was worse than too much, he replied: "The customer is always right. It

was not that there is too much salt in his dish, but he did not like salt in his food, so he did not put salt or much or too little."

Grimsby 'to win Humber ports battle'

BY RICHARD MOONEY

THE HEAD of a leading fish company yesterday forecast that Grimsby would win the "Battle of the Humber" in spite of Hull's undoubted superiority in the handling of freezer trailers.

Mr. Mick Coburn, managing director of Findus, said at the official opening of a £1.25m. fish processing factory in Grimsby that it was unlikely that both would survive as major ports in view of the inevitable decline of the British fish catching industry.

Trawler owners are going to have to make up their minds which side of the Humber they will operate.

Mr. Coburn based his confidence in Grimsby's future on the belief that in a world of 200-mile limits the U.K. catching industry would have to concentrate its development on the near-water fleet. In this field Grimsby's potential is superior to Hull's.

At present, the Hull fish market couldn't cope with that sort of expansion, whereas Grimsby could.

I also believe that, without too much difficulty, Grimsby could

LABOUR NEWS

TUC to question Healey on cash limits

By Christian Tyler, Labour Editor
TUC LEADERS will today press the Chancellor to outline his strategy for public expenditure and the future use of cash limits, which unions see as a wage restraint mechanism.

Mr. Denis Healey, accompanied by Mr. Joel Barnett, Financial Secretary, will be meeting the TUC economic committee in the wake of the Government's defeat in the Commons on the Finance Bill.

Although public expenditure and cash limits are the subject on the agenda, it will be a chance for Mr. Healey to test TUC opinion on his plans for another bout of indirect wage control.

Senior TUC leaders have met Mr. Healey privately once since the Budget, for discussions on the economy at large. Then the Government was criticised for lack of action on jobs and public spending. With the TUC firmly set against any Stage Four deal, the question of even an "understanding" appears to have been strenuously avoided.

To-day the TUC is expected to ask whether the underspending of 3-4 per cent. under the cash limits regime is a permanent feature of the system, and to press for the relative level of public expenditure to be restored to its 1973 position.

The Chancellor's Budget gave the TUC almost exactly what it asked for on tax cuts, but little in response to its demands for a further £2bn. to be directed towards jobs, pensions, the social services and construction.

Leyland union man resigns

By Our Oxford Correspondent
MR. JOHN POWER is to resign as convenor for the Amalgamated Union of Engineering Workers at Leyland's Park depot at Horpeth, Oxfordshire. In return the company has decided not to sack him, but to take him back after a week's suspension without pay.

Mr. Power is also resigning from all other union activities at the depot as part of a settlement reached at talks between management and Engineering Union officials.

Last month Mr. Power was dismissed after an inquiry into travelling expenses and the decision was amended to a suspension on pay, while his appeal was heard.

When suspended Mr. Power had to give up his seat on the joint management and union committee negotiating bargaining reforms.

Farm workers' £100 target

By OUR LABOUR EDITOR
FARM WORKERS yesterday instructed their union leaders to demand a minimum wage of £90 for a 35-hour week next January, and £100 a week by 1980.

The executive of the National Union of Agricultural and Allied Workers had recommended support for £80 and £90 respectively, but this was rejected at the union's annual conference. The present basic rate is £43 for a 40-hour week.

Mr. John Rose beat off a Left-wing challenge to be elected president of the union in place of Mr. Bert Hazell, who is retiring.

Tether argument over procedure

MR. C. GORDON TETHER, former Financial Times columnist, suggested yesterday that the industrial tribunal hearing his unfair dismissal claim should subpoena all members of the committee set up by the National Union of Journalists and Newspaper Publishers Association to inquire into his dispute with Mr. Fredy Fisher, the editor.

It was this dispute—over the editor's control of the Lombard column which Mr. Tether wrote for 21 years—that culminated in Mr. Tether's dismissal.

Mr. Tether, 64, seeks reinstatement.

He was questioning Mr. Lionel Morrison, an NUJ member of the disputes committee yesterday about the meaning of the committee's findings when Mr. Thomas Morrison, counsel for the Financial Times, protested about the line that was being taken.

Mr. William Wells, QC, tribunal chairman, said he and his colleagues were also questioning relevance in relation to the matters which they had to decide.

Mr. Tether said: "I would submit that the evidence as to what the committee meant and whether they saw the disputes procedure as being at an end is of the greatest relevance to the fairness or otherwise of my dismissal." "I feel the court should hear it—even if it is necessary to subpoena the entire committee."

"Indeed it should surely be contrary to the interests of justice if evidence as relevant as this were excluded because of procedural difficulties."

Mr. Tether said that the sensible and just thing to do would be to allow Mr. Morrison to

Redundancy deals not 'selling jobs' says union leader

BY ALAN PIKE, LABOUR CORRESPONDENT

EMPLOYEES who accept redundancy payments should not automatically be condemned by fellow workers for "selling jobs," Mr. John Boyd, General Secretary of the Amalgamated Union of Engineering Workers, said yesterday.

He was replying to a claim by Mr. Jimmy Reid, a Left-wing delegate at the union's annual conference, that the Redundancy Payments Act had become an albatross around the necks of Union officials, with some members prepared to sell their jobs as soon as they got "the wolf of severance pay."

Mr. Boyd said that often it was the changing pattern of industry which led to workers being made redundant. They should not be accused of selling jobs and betraying the next generation when they did not have something to sell.

The conference passed a number of resolutions on unemployment and Mr. Boyd indicated that the AUEW would put a motion on the subject to the TUC in September.

Delegates reaffirmed the union's policy that when redundancies are declared in any factory all overtime in that particular work grade should be banned until the redundant members had found new employment. However, a resolution which would have led to the TUC being urged to seek legislation restricting overtime to five hours per week was defeated.

The conference called for more Government measures to tackle youth unemployment—which it described as "a crime against young people"—including further training schemes, grants to school students who continue their studies beyond the minimum leaving age, and restoration of the levy grant system for industrial training Boards.

AUEW leaders will approach the Engineering Employers Federation and attempt to negotiate a minimum annual intake of apprentices based upon the size of companies.

Delegates criticised private and public industry for not creating more jobs through expansion and urged the Government to legislate for a "statutory minimum level of investment in the manufacturing industry."

Thomson and unions agree to arbitration

BY PAULINE CLARK, LABOUR STAFF

THE THREAT of a nationwide strike by journalists on Thomson Regional Newspapers seems to have been averted. Agreement was reached yesterday between management and national union leaders to go to arbitration in the dispute over sacked journalists.

The formula does not tackle the problem of continuing local difficulties over productivity payments within the group which led to the sacking two weeks ago of 380 members of the National Union of Journalists.

After deferring a call last weekend for a strike throughout the group, union negotiators, led by Mr. Ken Ashton, general secretary, accepted a new formula for a return to work. This will be reported to-day to the Thomson group chapel and negotiators will recommend later this week acceptance at an emergency meeting of executives.

Two weeks ago, more than 3,000 journalists in the group staged a one-day strike to protest at the dismissal of 77 journalists in Hemel Hempstead who had been working to rule over a productivity pay claim. This was followed by the sacking of more journalists elsewhere in the group for taking similar action.

Reject tough Stage Four says railmen's chief

BY OUR LABOUR EDITOR

UNION would be prepared to sing the idea of an even more reasonable if the restrictive Stage Four of income Government gave top priority to policy. The whole trade union tackling unemployment and the movement should reject it.

Labour would jeopardise its electoral chances unless it made a commitment to pursue a different strategy when returned.

Its present Parliament weakness precluded socialist policies, he admitted.

Another rail union voted for an end to wage restraint. A motion calling for an immediate return to free collective bargaining was carried by the delegates of the Transport Salaried Staffs Association at their annual conference.

He said that Ministers and some union officials were canvassing if they were going to take

inquiry into what was in the minds of the disputes committee, by calling all six members to give evidence.

Unless Mr. Morrison had authority from the other members of the committee to give the view of the whole committee to the tribunal, then he should not be allowed to give his personal view of it.

Mr. Robert Norris, senior national organiser of National Union of Journalists, was asked by Mr. Tether to comment on the claim that it was well understood in Fleet Street that an editor had the right to change the jobs of his journalists without their consent.

Mr. Norris replied that it was not the union's view that this was an automatic right. There had been much public debate about an editor's prerogative. The union recognised the special position of editors, but reserved the right, and had exercised the right, to challenge decisions when it considered them questionable or wrong. This had been the subject of arbitration and at least one industrial tribunal hearing.

Mr. Morrison said that, if the tribunal heard all evidence whether it was relevant or not, the case would become totally oppressive for his clients.

The question before the tribunal was whether or not the dismissal was unfair. This had not been the question before the disputes committee, and, in any case, if it had been, the tribunal was in no way bound by any decision of that committee.

The third question was whether the newspaper could reasonably have believed as a result of that finding that the disputes procedure was at an end.

Mr. Tether said that the tribunal would have to consider whether the Financial Times could have reasonably and in good faith acted on such assumption.

It was wholly unacceptable that there should be a long adjournment until today.



More than 1,000 Merseyside trade unionists arrived at London's Euston station yesterday and marched along Arundel Street before dispersing and making their own way to Westminster to lobby North-Western MPs. They were protesting about the state of plant closures and redundancies in Merseyside where unemployment is almost twice the national average.

Call to end shipyards pay delays

By Our Labour Editor

SHIPBUILDING UNIONS are to insist that next year their national wage agreement should be put into effect on the same date in every part of British Shipbuilders. At present it has a wait for local pay anniversary dates.

Mr. John Chalmers, general secretary of the Boilermakers, said yesterday he hoped that if the Government imposed another incomes policy it would allow this move.

The unions have been told that the outline of an agreement for this year had been cleared by the Department of Industry. This follows concessions under the pay guidelines to engineering workers in their recent deal.

Minimum rates of £57 a week, moving to £60, for skilled men, and £48, moving to £48, for unskilled, as in the engineering deal, are likely to emerge for the 86,000 shipyard workers. Average earnings are about £175 and £185 according to the employers.

Thatcher speech attacked

By Nick Garnett, Labour Staff

THERE WAS no prospect of a Conservative government forming any rewarding partnership with unions. Mr. Roy Hattersley, Prices Secretary, said yesterday.

Referring to the week-end speech to Bow Group Conservatives by Mrs. Margaret Thatcher, Tory leader, during which she said the rule of law was threatened by union kangaroo courts, Mr. Hattersley added that Mrs. Thatcher had chosen "to drag out and dredge up all the tired war-cries of the old anti-union campaign."

The Tories did not want a partnership with the unions. Mr. Hattersley told delegates to the radio and television servicing conference of the Electrical and Plumbing Trades Union in Scarborough.

Earnings levels were still the most important element in inflation. Nevertheless, Mr. Hattersley did not complete the "we wage-round after August 'we can or should' have a wages policy modelled on that of the past few years."

A new factory plus new machinery worth £500,000**for less than £200,000 and no strings!**

Whatever the gross cost of your expansion or re-location project you can save over 60% by moving to Newcastle. It's where Britain's best business package is waiting for you plus a range of ancillary benefits you'll find hard to beat. And all with no strings! Capital grants, long loans at low rates, tax allowances, rent relief, interest subsidies... you'll be pleasantly surprised—and not just financially either. Look at what else is going for you in Newcastle:

Excellent Amenities

The biggest and most modern shopping Centre in Europe. See the City for yourself. Thirty minutes by car if you want to sail, walk in unspoilt countryside or birdwatch on the coast.

People

There's a pool of people you can choose from—skilled and unskilled and we'll put a team at your disposal to advise on housing, education and all re-location aspects.

Housing

In the North East, there is a good choice of housing and you don't have to spend half your life commuting if you want to live in the country. The City also has one of Britain's best records for council house building.



City of Newcastle upon Tyne

A1 Road, Rail, Air & Sea Services

London by rail in 3 hrs, by road in less than 5 hrs. Direct rail links throughout the country. Airport with regular national and international flights by BA, British Caledonian, Air Anglia and Dan Air. Deep water port facilities and direct sea links to Scandinavia.

Factories and Sites to choose from

Let us have your specifications and we'll supply you with a selection of buildings or sites to meet your requirements. You name it and we probably have it.

Custom-built Packages

Whatever your requirement, we'll tailor a package specially for you, including sites, buildings, people, plus all the cost-saving and funding schemes for your project. You'll have it on your desk fast, marked "Confidential".

High Speed Decisions

You'll find Newcastle's response is the fastest in the country, from enquiry to planning approval.

Newcastle—could be your best business move ever!

And there's more, including extra special grants exclusive to this region. The best business move you've ever made could be when you ask for more information about Newcastle. Write, phone or use the coupon.

Mike Foley, Civic Centre, Newcastle upon Tyne, NE1 8PP
Telephone: 0632 610652.

To: Mike Foley, Civic Centre, Newcastle upon Tyne, NE1 8PP

NAME _____ POSITION _____

COMPANY _____

ADDRESS _____

TELE: _____

Please send me full information on the benefits of re-locating in Newcastle.

FT8/5 P002

PARLIAMENT AND POLITICS

Third reading Premier declines offer given by MPs to test confidence to Welsh Bill

BY IVOR OWEN, PARLIAMENTARY STAFF

ALTHOUGH THE Wales Bill critics of the Bill on the Government's completed its passage through Commons last night, MPs on Kinnock (Lab., Bedfellow) side-sides questioned whether it will lead to the establishment of a Welsh Assembly in Cardiff. The third reading was carried by 292 votes to 244, a Government majority of 28.

Supporters and opponents of the Bill conceded that the provision requiring that the referendum on the devolution proposals must be voted at "Yes" or equivalent to 40 per cent of the Welsh electorate to be effective, could prove to be a built-in "self-destruct" mechanism.

Mr. Glynfor Evans, leader of the three Plaid Cymru MPs, claimed that the introduction of the 40 per cent hurdle called into question the sincerity of the Government in advocating Welsh devolution.

He was sharply reminded by Mr. Michael Foot, Leader of the Commons, that the 40 per cent provision had been written into the Bill as a result of a Government defeat.

Ministers were ill opposed to the 40 per cent provision, but they had to accept the decision of the House of Commons. The 40 per cent hurdle would be seen as a challenge which the Welsh people could overcome.

While accepting Mr. Foot's position, Mr. Evans continued to question the sincerity of the Government as a whole, alleging that the Prime Minister, despite representing a Cardiff constituency, had not said one word on devolution in all the time that the issue had been before Parliament.

The Plaid Cymru leader stressed that in practical terms only 85 per cent of the Welsh electorate could be expected to participate in the referendum. If 85 per cent turnout were achieved, the majority would have voted in the Commons' March referendum which had had all the advantages of nation-wide press and television publicity—those voting "Yes" would have to be in a two-to-one majority over those voting "No".

With a 50 per cent turnout, a four-to-one majority would be required to clear the 40 per cent hurdle.

Mr. Evans said he feared that the Government was just taking Wales for a Parliamentary ride. Only a sustained publicity campaign over the next two months, supported by all Ministers and all members of the Labour Party, would persuade the Welsh Nationalists to take a different view.

One of the most persistent

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN showed few signs yesterday of any political hangover from the Finance Bill row, but cautiously declined Mrs. Margaret Thatcher's invitation to test another all-party challenge.

The exuberant Tory leader suggested that if a 35p tax rate was irresponsible—as the prime Minister had declared—the Government should try to raise it again on a vote of confidence.

"A very interesting suggestion," Mr. Callaghan responded. "Extremely ingenious... I shall give it every careful consideration."

Labour MPs, fizzing as if they had been dosed with some political alkali, jeered Mrs. Thatcher's apparent reluctance to initiate the vote of confidence herself.

But Mr. Norman Tebbit (C Chingford) urged the Prime Minister, if he would not venture into the lobbies, at least to take an outing to east London.

Mr. Callaghan could then

explain to the people why he clung to office when he had no other support left, he said.

There was no doubt who would get the better reception if the two of them went to face the people together. Mr. Callaghan retorted briskly. He had been "quite happy" with the local elections, he said in passing.

But the situation was not satisfactory, he agreed. "I shall go to the country for a clear majority for a Labour Government whenever I think appropriate," he added amid Labour cheers.

Until that time came, the Government would take any necessary steps to put right the effects of the Tories' irresponsible behaviour.

Millions of people would not benefit from the tax cut, Mr. Callaghan said. But if the Tories pursued their present course they would widen the gap between poor and rich.

It had not escaped the notice of Labour MPs that Mrs. Thatcher herself would benefit—and they had a merry

discussion of whether she deserved a bonus.

Dr. Edmund Marshall (Lab. Goole) recorded that the Tory leader had asked 264 questions in return for her 29,500 salary. "But since only six or seven could be described as positively constructive, she has virtually no eligibility for a productivity bonus," he said.

Parliament required a strong and effective Opposition, Mr. Callaghan replied with a patronising smile at the Tory front bench. "I think the Right Honourable lady earns every penny of her salary considering the Opposition is so much of a one-man band."

"I'm not that one more man than the Government has got," Mrs. Thatcher snapped.

Mr. Callaghan looked almost as hurt by that as Mr. William Whitelaw. But both regarded their smiles as Mr. Joe Ashton (Lab. Basildon) recalled that Mrs. Thatcher had watched the Cup Final last weekend and afterwards named someone who was not playing as her man of the match.

This line, in broad accord with that of Mr. John Cuckney, chairman of the Port of London Authority, was doomed to failure because our continental competitor ports already received support from the State and from individual cities.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

According to Mr. Vaughan, his remarks followed Monday's less decisive Commons statement by Mr. William Rodgers, Transport Secretary, but provide strong support for the line which Mr. Rodgers is taking in private.

His remarks followed that of Mr. John Cuckney, chairman of the Port of London Authority, who said that the upper docks must be closed either immediately or over a period of about one year and the PLA's activity centred upon the container port of Tilbury. Mr. Cuckney revealed last week that the port, which lost £5m in 1977, was heading for bankruptcy.

Mr. Cuckney has presented Mr. Rodgers with three options for the port, all of which involve closing the East End docks on the upper river with the upper docks remaining open.

Even if immediate closure is decided upon, a substantial Government grant will be required to maintain the port's liquidity. The sum involved could be between £50m and £80m.

The principal opponent of the plan in Cabinet will be Mr. Peter

Page (C. Workington),

Solicitor General for Scotland,

Secretaries of State for Scotland, Lord Campbell of Croy,

Assembly in forestry matters,

who spoke from the Opposition

that it would therefore be

a mere extension of the

Government of the day," he argued.

If members were given a choice of party, he could foresee a situation where the relative movement of contributions between the parties would be taken as an indicator of the effectiveness of political policies.

From the Labour benches, Mr.

Rooker said he could not imagine

a more stupid use of the 10-minute procedure.

Under the Trades Union Act of 1913, which

Mr. Page was seeking to amend,

funds could not be used for

political purposes unless

approved by a resolution of union members.

"The Bill is unnecessary,

simply because, if a member does

not want to pay the levy, he does

not pay it," he said.

In the last two years, the

certification officer had received

only 21 complaints from union

members concerning the levy.

If the Bill were approved, the

unions would be forced back to

the position of the last century,

where they could not use the

constitutional process to get a

vote in Parliament.

Mr. Rooker also protested that

Mr. Page had made no mention

of companies which make

political contributions. The

housewife buying soap-powder

could not say that she did not

want part of her money passed

on to a political party, he said.

Following the successful

defence of Garscadden in a by-

election last month and the

the Liberals have nominated separatism or not," he declared.

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AN ATTEMPT by Mr. Richard Page (C. Workington) to introduce a Bill allowing individual trade unionists to choose which political party should receive their political levy was narrowly defeated in the Commons yesterday.

The Bill was strongly denounced by Labour MPs and denounced by Mr. Jeff Rooker (Lab. Perry Barr) as "crazy and stupid." But among those voting for it were

"I believe there is a growing

feeling among rank-and-file trade unionists that the trade union movement is tending to become not only establishment-oriented but a mere extension of the Government of the day," he argued.

If members were given a choice of party, he could foresee a situation where the relative movement of contributions between the parties would be taken as an indicator of the effectiveness of political policies.

Both maintained that there was no good reason to devolve forestry when agriculture was retained among the matters

Lord Dilverton, who moved

reserved as a responsibility of

the amendment, argued that

the amendment would lead to a divergence of policy. The Government

expected to try to repair most of the damage when the Bill returns to the Commons.

Scotland Bill heavily mauled in Lords

BY IVOR OWEN

PEERS INFILCTED a string of defeats on the Government in the Lords last night when the Scotland Bill was again heavily mauled.

An amendment deleting a clause on forestry from the Bill, although welcomed by the three Plaid Cymru MPs, were hoping that it would not work, so that the resulting damage would bring closer the realisation of their objective, a separatist Wales.

Lord Dilverton, who moved

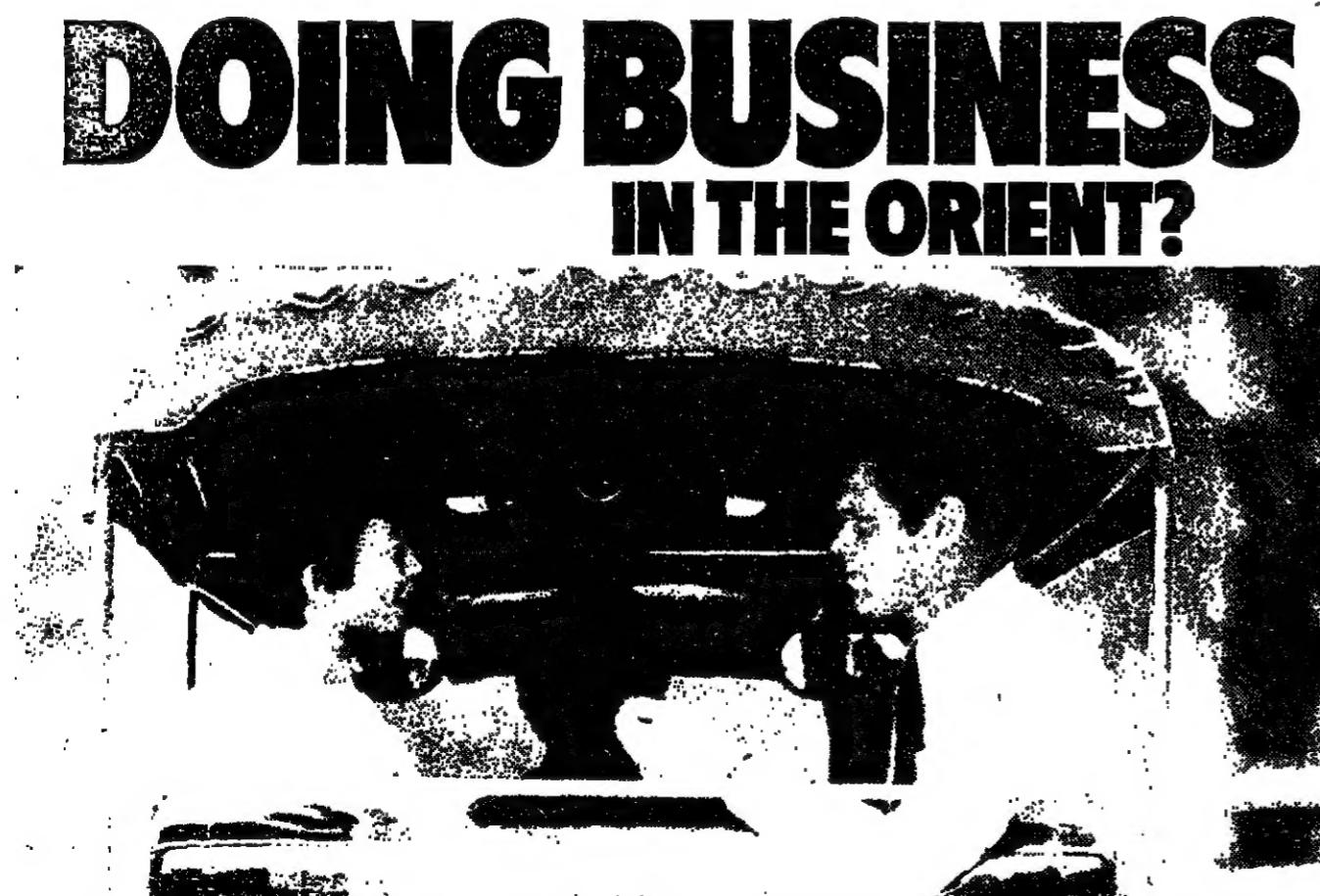
reserved as a responsibility of

the amendment, argued that

the amendment would lead to a divergence of policy. The Government

expected to try to repair most of the damage when the Bill returns to the Commons.

SAS
SCANDINAVIAN AIRLINES



When you're doing business in the Far East, it helps to have the right connections.

It's important, too, to have convenient travel connections. To arrive fresh enough to ensure a successful visit.

Connections like the four SAS express routes with 9 weekly flights from Copenhagen.

SAS has a way and a day to suit your timetable.

Serving Colombo, Delhi, Karachi, Manila, Singapore, Tokyo, Bangkok — with good connections to Hong Kong.

Callaghan urges realism over PLA cash crisis

BY IAN HARGREAVES AND JOHN HUNT

THE Prime Minister yesterday threw his weight behind a solution based on harsh commercial realism to resolve the Port of London's cash crisis.

Mr. Callaghan said in the Commons that commercial criteria must be the test against which the future of London's upper docks were assessed. "There will be no long term future for this country if we continue permanently to subsidise facilities for the PLA," he told MPs.

His remarks followed Monday's less decisive Commons statement by Mr. William Rodgers, Transport Secretary, but provide strong support for the line which Mr. Rodgers is taking in private.

According to Mr. Vaughan, the use of commercial criteria to assess the future of the docks was doomed to failure because our continental competitor ports already received support from the State and from individual cities.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

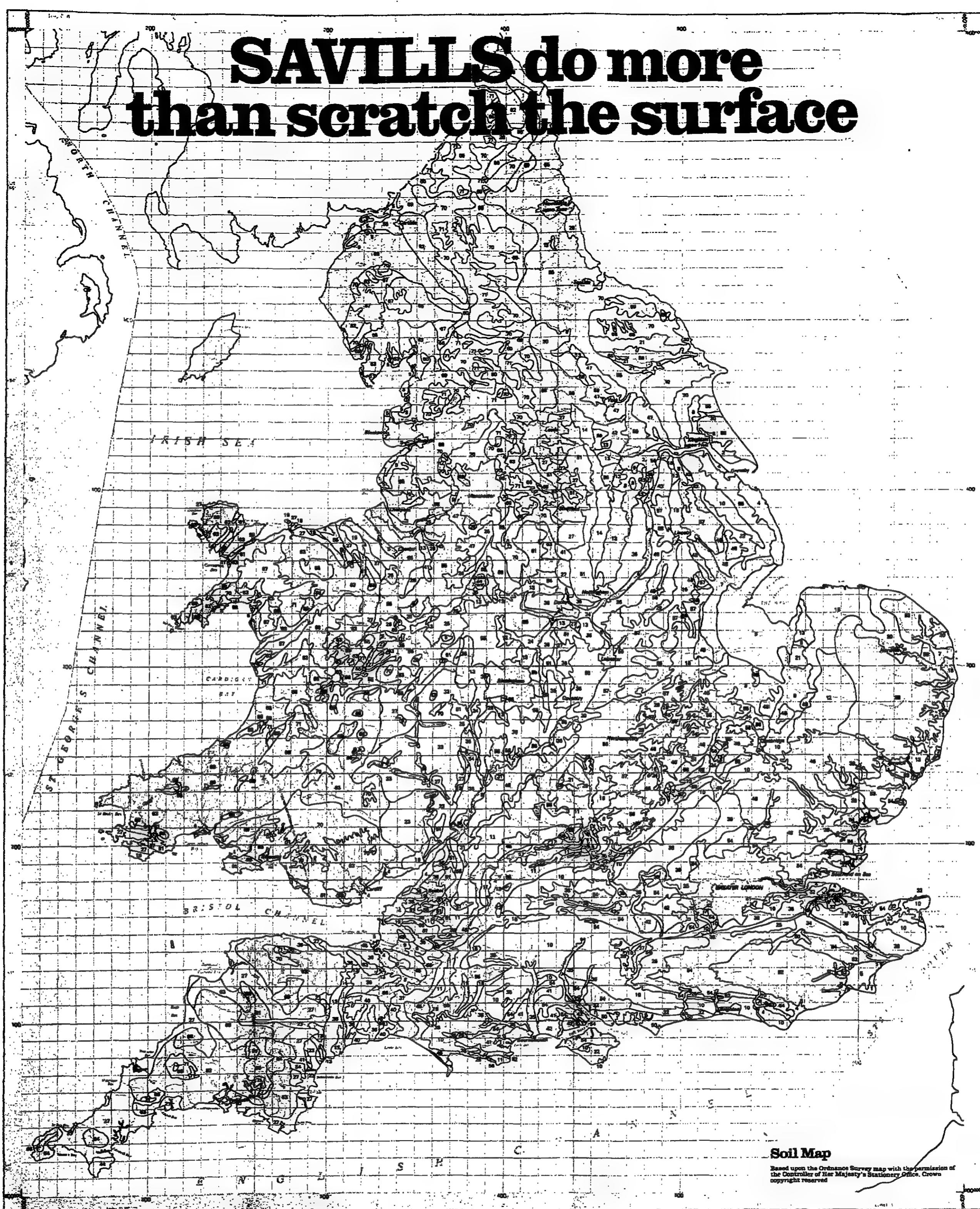
Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underrate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Searing and others that the PLA figures showing likely losses by the upper docks of £5m this year were less than accurate, the authority is to produce separate accounts for the docks in question.

SAVILLS do more than scratch the surface



Among our many country-wide property services, there may be one that you don't know about.

So here is a quick run-down on the way that Savills people spend their working days.

Commercial Department

We help companies to find the right premises in the right places at the right rents and on the right terms.

We advise Pension Funds and Insurance Companies on direct investment in commercial and industrial property (a highly attractive field, but you have to know what you're doing).

We acquire, sell, manage and value commercial and industrial holdings; manage development projects, advise on lease renewals and rent reviews.

Agricultural Department

Finding and managing estates for private individuals is an important aspect of our work, as the country life is immensely attractive and the financial benefits can be substantial.

We advise Pension Funds and Insurance Companies on the acquisition and sale of agricultural land.

And for all our purchasing clients, we offer a nationwide management service

through our country offices and associate firms.

Residential Department

For purchasers and sellers of houses and flats we go to endless trouble to find the right place and to get the right price.

As well as the activities of these three basic divisions, we provide a range of services through our overseas offices.

Consider the wealth of information and experience which is available through all these departments, and you'll quickly realise that when we say we do more than scratch the surface, we mean it!

SAVILLS

The complete property service.
20 Grosvenor Hill, Berkeley Square, London W1X 0HQ.

Tel: 01-499 8644

Banbury Beccles Chelmsford Colchester Croydon Fakenham Hereford Lincoln Norwich Salisbury Wimborne
Paris & Amsterdam
Associates in Scotland. Represented in Guernsey.

Banking figures

(See table 2 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks

	April 19,	Change on	
	1978	month	£m.
Eligible liabilities			
U.K. banks			
London clearing banks	24,686	+ 723	
Scottish clearing banks	2,638	+ 43	
Northern Ireland banks	827	+ 4	
Accepting houses	1,926	+ 51	
Other	6,327	+ 163	
Overseas banks			
American banks	2,996	+ 76	
Japanese banks	363	+ 25	
Other overseas banks	2,974	+ 191	
Consortium banks	298	+ 53	
Total eligible liabilities*	43,889	+ 1,216	
Reserve assets			
U.K. banks			
London clearing banks	3,238	+ 98	
Scottish clearing banks	333	+ 1	
Northern Ireland banks	119	+ 1	
Accepting houses	298	+ 10	
Other	833	+ 19	
Overseas banks			
American banks	505	- 25	
Japanese banks	37	+ 12	
Other overseas banks	329	+ 12	
Consortium banks	45	- 4	
Total reserve assets	6,171	+ 22	
Constitution of total reserve assets			
Balances with Bank of England			
Money at call	333	+ 89	
Discount market	3,310	- 67	
Banknotes	245	- 2	
Tax reserve certificates	842	+ 134	
U.K. Northern Ireland Treasury Bills	180	+ 10	
Other bills	763	+ 38	
Local authority			
Commercial			
British Government stocks with one year or less to final maturity	496	- 100	
Other			
Total reserve assets	6,171	+ 92	
Ratios (%)			
U.K. banks			
London clearing banks	13.2	- 0.2	
Scottish clearing banks	14.4	- 1.0	
Northern Ireland banks	11.1		
Accepting houses	11.0		
Other			
Overseas banks			
American banks	14.9	- 0.9	
Japanese banks	14.0	- 0.8	
Other overseas banks	17.8	- 3.4	
Consortium banks	19.3	- 0.2	
Combined ratio	13.9	- 0.2	
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to £1.1bn.			
2—Finance houses			
Eligible liabilities	13	- 1	
Reserve assets	325	- 8	
Ratio 1%*	10.4	- 0.1	
Several deposits at April 19 were £1,247m. (up £1m.) for banks and £10m. (unchanged) for finance houses. *Interest-bearing eligible liabilities were £29,397m. (up £705m.).			

N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to £1.1bn.

2—Finance houses

Eligible liabilities

Reserve assets

Ratio 1%*

Several deposits at April 19 were £1,247m. (up £1m.) for banks and £10m. (unchanged) for finance houses. *Interest-bearing eligible liabilities were £29,397m. (up £705m.).

London Clearing Banks' balances

as at April 19, 1978

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES	Total		Change on		Total	Change on		Total
	outstanding	£m.	outstanding	£m.		outstanding	£m.	outstanding
LIABILITIES								
Sterling deposits:								
U.K. banking sector	3,024		+ 723					
U.K. private sector	26,193		+ 258					
U.K. public sector	6,688		+ 169					
Overseas residents	2,136		- 53					
Certificates of deposit	2,219		- 19					
of which: Sight	56,596		+ 1,771					
Time (one C.D.)	14,121		+ 818					
Time (two C.D.)	20,372		+ 822					
Foreign currency deposits:								
U.K. banking sector	3,548		- 18					
Other U.K. residents	1,062		+ 108					
Overseas residents	10,712		+ 570					
Certificates of deposit	1,156		+ 71					
Total deposits	16,485		+ 562					
Other liabilities	8,658		+ 121					
TOTAL LIABILITIES	61,372		+ 2,181					
ASSETS								
Sterling								
Cash and balances with Bank of England	1,196		+ 116					
Market loans								
Discount market	2,051		- 23					
U.K. banks	550		+ 68					
Certificates of deposit	1,017		+ 187					
Local authorities	1,51		+ 57					
Other	181		+ 10					
Total	10,591		+ 361					
TOTAL ASSETS	61,372		+ 2,181					

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES	TOTAL		BARCLAYS		LLOYD'S		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLYNN'S	
	Outstanding	Change on month	Outstanding	Change on month	Outstanding	Change on month						
LIABILITIES	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Total deposits	52,883	+ 2,022	11,242	+ 222	10,212	+ 680	11,188	+ 215	15,510	+ 367	1,762	+ 38
ASSETS												
Cash and balances with Bank of England	1,106	+ 116	211	+ 17	239	+ 60	214	+ 33	273	+ 9	32	- 5
Market loans:												
U.K. banks and discount market	11,050	+ 616	2,717	+ 56	2,739	+ 280	1,793	- 17	3,235	+ 26	223	+ 68
Other	9,034	+ 498	2,688	+ 36	2,673	+ 203	1,628	+ 47	3,077	+ 70	238	+ 32
Bills	1,120	+ 237	266	+ 38	152	+ 14	635	+ 234	365	- 45	19	- 1
Special deposits with Bank of England	826											
Investments:												
British Government stocks	2,262											
Other	1,125											
Advances:												
U.K. private sector	17,891											
U.K. public sector	211											
Overseas residents	3,075											
Other sterling assets*												
Eurocurrencies												
U.K. banks and discount market	2,361				</							

FINANCIAL TIMES REPORT

Wednesday May 10 1978

NORTHAMPTON

Last year's decision by the Government to curtail the pace of expansion of Northampton to a more realistic rate has reduced uncertainty in the town and lifted morale and confidence.

Time to catch its breath

NORTHAMPTON, the thriving East Midlands centre, which still retains its market town mentality, is adjusting to a more realistic rate of growth.

Since Norman and Plantagenet times, when its location at the centre of England made it an obvious choice for the home of Parliament and the Exchequer, the town has managed to foster its anonymity. Industrialisation of the boot and shoe trade in the last century, under the rigid non-conformity of benevolent factory owners, heralded a new period of economic growth which saw the town develop gradually to a population of 130,000 by the mid-1960s.

Review

But the real upheaval came in 1968 when Whitehall committed a reluctant Northampton to expand its population by more than 100,000 in little more than a decade in order to act as the future of Northampton, originally designated to act as a safety valve for the expected rapid growth of counter-magnet to growth in London. Though 60 miles from London, Northampton was charged with helping to alleviate the housing burden.

The town was promised ex-

pansion "at a white hot pace," says Mr. Basil Bean, the appointed and record house-building targets set. Fanciful figures fixed by central government were always regarded locally more as an aspiration than an aim, but the progress achieved has been dramatic.

Already some 45m. square feet of new factories and warehouses and 12m. square feet of offices have been built to create 10,000 new jobs. Two new shopping complexes, the Grosvenor and Weston Favell district centre, contributed to retail floor space in little more than three years.

Dual carriageways have scythed through open countryside and some 13,000 houses erected to create a whole new township, the eastern district. But it is only in the last nine months that Northampton has begun to reassess its expansion path.

The statement by Mr. Peter Shore, the Environment Secretary, in September 1978, that the Government was reassessing the role of the new towns, created a prolonged period of uncertainty and damaged investment confidence.

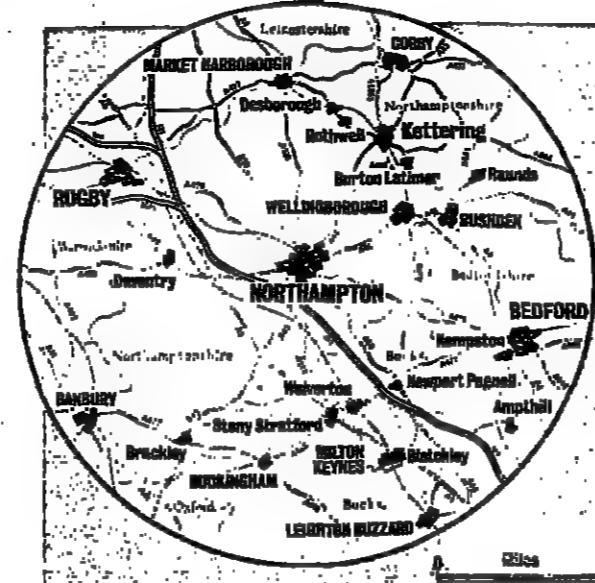
From his office block, which looks out across sweeping new highways to the Brackmills industrial estate, he is able to point to new factories going up.

"In the eight years of expansion, we have never been busier

in terms of inquiries for factories, warehouses and offices," he maintains. In recent months incoming companies have signed for 40 acres of industrial land.

Such overt signs of quickening industrial activity at a time when the national economy remains firmly on a plateau are largely due to Northampton's special circumstances. Located midway between London and Birmingham, the town is astride the motorway network and provides an ideal centre for services and distribution trades.

In spite of the lack of mobile industry Northampton can still draw upon a growth sector: of



This Report was written by Arthur Smith.

seven small industrial units let Corporation will follow up an in one week on a private exhibition in Hamburg this development, six were for summer with seminars in companies in service and distribution. The Development this month some 80 French Industrialists will be brought over to see the town.

The index of foreign companies, like Carlsberg and Levi Strauss, and the fact that Northampton has been selected

as the UK headquarters of operations, such as Rockware Glass and Diversy, has made surprisingly little difference to its character. "I liked Northampton, as it was—a country town where everybody knew everybody else. Strangely, that

has not changed," says Mr. John Barnes, an outspoken Conservative councillor.

From the leading opponent of town expansion a decade ago, Mr. Barnes now finds himself chairman of the borough's development committee responsible for promoting growth.

"Expansion has worked better

than anyone could have anticipated, despite the interference, vacillation, and bureaucracy of Whitehall," he maintains.

He is lavish in his praise of the co-operation between the borough council and the development corporation. The Government required Northampton, as an established industrial town, to enter a unique partnership arrangement with a Whitehall-appointed Development Corporation. The two public bodies have extended co-operation to the point of sharing offices and staff and promoting common programmes.

Indeed, after reorganisation of local government in 1974, the partnership

was broadened to bring in the County Council.

Reappraisal

The most immediate problem for the three partnership bodies is the town centre: a fundamental reappraisal of land use has been made necessary by the sharp cut in target population.

Not only has the expansion programme been phased over a longer period, but the shops and offices that were formerly high value office sites. There is already more than enough land for retail development, while factories and warehouses are usually difficult to attract to central areas.

Prospects for further retail

"We have an inner city problem," says Mr. Barnes. "We have large derelict sites in the central area, caused not by firms moving out but by our action in clearing the ground to deal with the 230,000 people the Government told us we should have." For the moment the council has allocated £50,000 for an "operation tidy up"—a programme of landscaping and tree planting to improve the worst areas of wasteland.

In the longer term the aim will be to achieve a cut back in office sites. Some land can be used for car parking and it is hoped to promote housing.

Attractive sites close to two of the town's oldest churches are currently on offer to private developers—a move, which if successful, would encourage the first speculative housing scheme in the central area for some 40 years.

The partnership bodies are now thankful that the first few years of expansion were so hectic. The basic infrastructure has been provided. Mr. Bean sees the role of the Development Corporation less as one of pursuing aggressive expansion and more one of consolidating advances already made.

"I think in the early days we had to put the emphasis upon physical development—the provision of bricks and mortar, of good housing—and I think we stand comparison with the best of the new towns. Now we must help to pull the town together and create a community spirit."

Indeed, Northampton has at last been given the time to catch its breath and look forward to a more orderly pace of expansion.

Foreign investment in Northampton keeps on growing

Growing is what Northampton is all about. Growing in size and growing in status, with investment, particularly from abroad, increasing in momentum.

Since 1970 the population has grown from 133,000 to 147,000 and will keep on growing to 180,000 under its planned expansion programme.

Northampton is a well-established business centre. Major new office and factory developments are now taking place and are attracting more foreign investment. Internationally known firms such as Carlsberg and Levi Strauss have moved into the town alongside others like Avon Cosmetics and British Timken who were already here. Carlsberg's new brewery serves the whole of Britain and Levi's

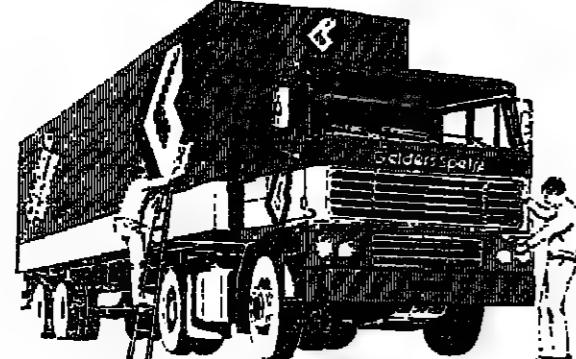
have established their UK sales and marketing head office and the largest computerised clothing warehouse in Europe here.

Investment has come from many parts of the world, from Argentina, Belgium, Canada, Denmark, France, Germany, Holland, Italy, Japan, Sweden and the USA. All these countries are represented by firms who deal in world-wide markets; firms who were quick to evaluate Northampton's potential in terms of opportunity, location, communications, well-established facilities and, of course, value for money. Over 200 firms, including more than 20 from overseas, have moved onto the new employment areas since expansion began.

With sound industrial and commercial foundations, an excellent employment situation and one of the best labour relations records in the country, our established town has much to offer. If you are seeking growth and a new base from which to expand in world-wide markets take a look at Northampton. You will be pleasantly surprised.

For further information contact Leslie Austin-Crowe, Chief Estate Surveyor, Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN, Telephone Northampton (0604) 34734.

More than a new look...



...an even better service

The new Gelders Spetsa livery, now being seen on our trucks all over Europe, heralds the inception of our total world-wide freighting operations. We've always been known for our specialist European door-to-door service, but now we include—on the same highly efficient, personal, and fast basis—Deep Sea operations and General Forwarding, to complement our existing world-wide Distribution and Storage facilities.

Gelders UK Transport Ltd.,
South Parkway Close,
Round Spinney Industrial Estate,
Northampton NN3 4PB.
Tel: 0604 43651 Telex: 311302.

Groupage—Full Loads—Storage—Distribution—Deep Sea.



Rainbows Carpets

Save you pots of money

STOCK CARPETS
Fitted within 7 days at Discount Prices

ALL CARPETS FITTED FREE - 7 DAY SERVICE
RAINBOWS FIT CARPETS BETTER
10 DABINGSTON STREET, NORTHAMPTON - EN3 6SY

What About Your Company's Cars?

Are you realising the true value of such costly assets?

We specialise in Auction of any Size of Car Fleet and offer the finest Service Available, which includes Transporter collection, etc.

Join the many educated Companies (our current vehicle sales exceed £1m. per month), who now recognise this as the easiest and most effective method of disposal, having their vehicles offered to such a wide cross section collection of Buyers from countrywide.

Northampton Car Auctions
Brackmills Industrial Estate
Northampton
Tel.: Northampton (0604) 64041

AVAILABLE NOW in NORTHAMPTON COMMERCIAL

OFFICE BUILDINGS
Immediately available
in town centre

Greyfriars House
200 000 sq ft of offices above the new bus station
Belgrave House
73 000 sq ft forming part of Grosvenor Centre
Anglia House
27 000 sq ft in prime position
Other properties from 500 sq ft to 10 000 sq ft

OFFICE SITES
Immediately available
in town centre, district centre
and campus locations

Town centre site of 3.5 acres
For up to 300 000 sq ft (or can be sub-divided to a minimum of 100 000 sq ft)
Town centre sites
Two for 30 000 sq ft
District centre sites
For up to 100 000 sq ft at Weston Favell Centre
Campus sites
60 acres available at Moulton Park

INDUSTRIAL

**UNIT FACTORIES
AT BRACKMILLS**
All with car parking, offices, toilets, gas fired warm air heating and all mains services

Remaining Units now available on Phases 1, 2 and 3
3000 sq ft 5000 sq ft 12 500 sq ft 20 000 sq ft
Reservation now being taken for Phase 4
Comprising 8 units of 10 750 sq ft each which can be let in various combinations

INDUSTRIAL SITES

Choose from the wide range available on four employment areas

There is a wide range of houses to rent or buy. Northampton has all the facilities of an established town.

For further information write or phone L Austin-Crowe BSc FRICS, Chief Estate Surveyor, Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN. 0604 34734

NORTHAMPTON HAS pulled toll, although some companies, to lose skilled men.

Another complaint voiced by the local engineering industry is that incomes policy, and the announcement plans for development is the Midland Bank which is to locate its staff training college on the Moulton Park industrial estate. Barclaycard, Rockware Glass and Diversy have already established headquarters in the town. Over 20 foreign companies from 11 countries have moved in over recent years. Inquiries for commercial and industrial premises are currently reported to be at an all-time high.

But, welcome as the new companies will be, there is a concern in the town that the action is centred upon the distribution and service sector. "We would like to see more real industrial development," says Mr. Roy Walker, president of the Northampton and County Chamber of Commerce.

Any anxieties expressed are in part a reflection of what is a national problem of the failure of manufacturing industry to lay down new capital; they are also an entirely predictable reaction from a town which has prospered on the Victorian ethic of hard work and enterprise.

The trend away from manufacturing to the more sophisticated service sector was clearly spelt out in the Master Plan for Expansion approved by the Government in 1968. This set the target that Northampton, which in 1958 had only 47 per cent of its workforce in service trades, would by 1981 have overtaken the national average of 57 per cent, to have six out of 10 workers in such employment.

Expansion

Within the first six years of expansion workers in office and professional services had grown rapidly from 15,000 to 25,000. Numbers in distribution also increased by 20 per cent to 12,000, while the manufacturing sector remained fairly stable. The biggest drop was in Northampton's traditional footwear industry which, with the rag trade, saw the loss of several thousand jobs to take the workforce to little more than 5,000.

Footwear, which in the immediate post-war period employed nearly 13,000, has been overtaken by light engineering as the principal industry. In recent years, lower consumer demand and cheap imports have continued to take their

constraint it has placed upon labour recruitment, is acting as a positive drag on productivity.

"Wage restraint is all very well if it is holding down unit costs, but if it is causing lack of effort and inefficiency it is inflationary," the managing director of one large company maintained.

A dramatic example of the way skilled workers are drifting out of the industry was given by another company which had lost four of its most experienced toolmakers. They had left to do completely unskilled work for a small upholstery firm where they could pick up £78 a week, compared with the £63 they could earn after 25 years in their own trade.

According to the managing director, the outflow of labour has increased in the last three

months. He views the trend of any quickening of economic activity, as already on the move, not as a sign of any upturn in business activity—most engineering companies are still operating at only around 75 per cent capacity—but as a response to rising living costs.

"These chaps are faced with higher rate demands and other household costs. Their only defence at a time when the Government says we can pay no more is to go elsewhere."

Companies also report shortages of specialist clerical staff, with the national surveys, as 1973 Wilson disposed of more than 200,000 square feet of rapid influx of new white collar workers. "General accounts, sales and credit control clerks are like gold dust. Salaries have shot up from around £2,500 a year to £5,500, one large rise to £1.50 and to £1.35 for buildings of more than 5,000

Local industrialists, in line with the national surveys, as The Development Corporation can see no prospect of any tion, which in its first eight years created 10,000 new jobs, is orders. But the industrial sector anxious to provide a continuous of the property market, one of supply of ready-serviced sites the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

orders. But the industrial sector anxious to provide a continuous

of the property market, one of supply of ready-serviced sites

the town is to meet its popula

with the national surveys, as The Development Corpora

significan improvement in years created 10,000 new jobs, is

NORTHAMPTON III

Conflicts in regional policy

CONTROVERSY about Wellingborough, and by April last year agreement had been reached to cut the town's target population for 1981 from 83,000 to 60,000.

The move against Wellingborough reflected concerns which applied equally to Northampton. The GLC had reached the position where it wanted to reverse the policy of exporting jobs and people. The fear was that the enterprise and skilled were migrating, leaving problems of unemployment and social imbalance.

Some statistical justification for such arguments was provided by the 1976 review of the South East Strategy, which found that population, which was growing by 3m, was likely to remain static or decline.

The implications that such trends might have for Northampton became a real issue in late 1976 when Mr. Peter Shore, the Environment Secretary, announced that he was to conduct a review of the policy of dispersal of population and employment from the inner city areas of conurbations.

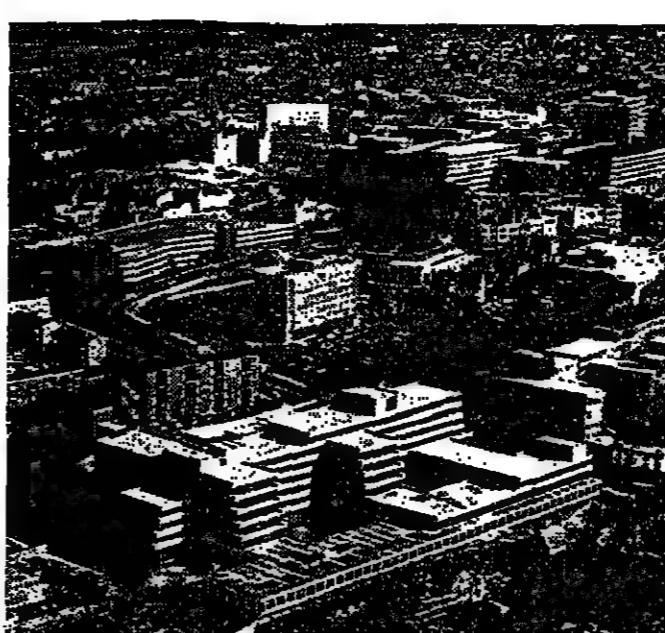
His action, which posed serious questions about the future of Northampton and hit investment confidence, was a response to the fears of those

who argued that decentralisation had gone too far. Not only special development areas had there been a fall in the birth rate, but the planned areas.

Mr. Shore made it clear that it was the Government's intention to give higher priority and to direct scarce resources towards the inner city areas. In spite of this, when he announced the findings of his review of the new towns to the Commons last year, he gave the all-clear to Northampton, Peterborough and Milton Keynes to press ahead with expansion—but at a reduced pace. The population target for Peterborough was cut by 20,000 and for Northampton and Milton Keynes by 50,000.

As a gesture towards the higher priority of the inner city areas, Birmingham and London have been given precedence over the new and expanding towns in the award of industrial development certificates.

However, the Government is fully aware that its whole regional policy has been devalued by the number of special cases. In the peaking order for the limited amount of mobile industry are a whole range of assisted areas, graded Planning Council, after con-



Northampton town centre: a mixture of old and new.

sidering Mr. Shore's revised London. Over the same period, population targets for Northampton, Peterborough and Milton Keynes were nearly 30,000 people have moved to the three towns to give a ratio of one job from London to every five people. Looking to the future, the three see the greater part of their employment growth coming as closely as possible. The East Midlands Economic Council underlined the need for established firms and services, Northampton and Milton Keynes, in particular, to ensure that existing investment was fully utilized.

Doubts that even the revised population figures might be "optimistic" were expressed by the Council in its latest survey of the region. The argument was put forward that new jobs could not be expected to increase in the future at the rapid rate experienced between 1970 and 1975. However, the Council took a more sanguine view of Northampton's prospects, pointing out that encouraging industrial and commercial developments in the town suggested its new targets might not be "too wide of the mark."

One of the arguments which Northampton, in co-operation with Peterborough and Milton Keynes, has sought to rebut is that the new towns have taken large numbers of jobs from London. In a paper presented last year, the three towns maintained that their total employment growth since 1970 had amounted to 37,000 jobs, of which only 8,000 came from the south-east but outside London.

In so far as firms do move from London, we expect them to be mainly in the office rather than the manufacturing sector.

Furthermore, no matter how public policies may be changed over the next few years to try to hold firms in London and to attract others into the inner areas, it is inevitable that some will move out. We suggest it is far preferable that they be enabled to move to the new towns rather than to places in Hertfordshire, for instance, where development pressures are already greater than the county planning authorities wish or are able to absorb."

Such arguments make it clear that Northampton, whether it likes it or not, has now clearly been sucked into the general debate about overall regional policies. To that extent, future growth and development will depend less upon local initiative and more upon the role allocated to the town within a wider regional framework.

Major office developments

NORTHAMPTON CURRENTLY has around 400,000 square feet of office accommodation standing vacant, but it does not face the chronic oversupply situation usually associated with Leicester, 30 miles to the north. Indeed, some agents suggest that shortages are beginning to emerge for medium-sized developments of between 10,000 and 30,000 square feet.

The present imbalance is due to two large office blocks which have hung on the market for more than 12 months now. Around 73,000 square feet of Belgrave House, which forms part of the Grosvenor shopping complex, still remains available. The other project is Greyfriars House, a 200,000 square foot office building above the town's new bus station. Failure to let the block, which was undertaken by the borough council, is costing householders the equivalent of 1p rate in lost revenue.

The Development Corporation, which acts as letting agent for the local council, maintains that serious discussions are being held with a number of potential clients. One reason for the delay is that a single tenant is sought for accommodation which would be ideal for any major corporation re-locating from London. The fully air-conditioned premises, on offer at £3.25 a square foot, have pedestrian access to the bus station, adjoining shopping complex, and market square.

The interest being shown in Northampton's two showpiece developments is a reflection of the gradual increase in inquiries shown in recent months. The office market, usually the last property sector to respond to an upturn in economic activity, has begun to move again. Not before time, some developers would say. Northampton, since the ready days that preceded the collapse of the property boom in 1973, has seen office rents languish.

In addition to the collapse of the property boom, two other factors have encouraged a re-examination of longer term prospects. In 1974 the decision was taken to abandon plans for "the expressway," a new central area distributor road which would have provided access for the planned level of developments. On present highway spending projections, the road network will only allow numbers employed in the town

to rise to 40,000 from the current 28,000. The other important change is the Government cut in Northampton's planned growth from a 230,000 population in 1981 to 180,000 in 1991.

The dramatic change in the situation has confronted the town with difficult decisions. It must now find alternative uses for land originally designated for office development, and accept the fact that the financial returns to be expected have been cut severely.

In the short term, the local authority can keep its options open and retain flexibility within its plans to allow for any unexpectedly high uptake in office development. Nobody believes that the boom conditions of the early 1970s will be repeated and the warning has already been given that many other provincial towns have the sites and facilities to meet such a demand should it arise.

Developments embarked upon in the early 1970s, for which rentals of around £3.50 per square foot were anticipated, seldom reached such levels. Wilson and Partners, one of the leading local agents for office accommodation, have just claimed what they believe to be the highest rental yet achieved—£3.50 exclusive for a small suite of 4,000 square feet. Prior to that, the company says central area accommodation was going for between £2.25 and £3.35 a square foot.

The flatness of rents over the past five years is a considerable disappointment to those who had recommended Northampton as one of the most important office centres outside London. The development plan for the central area, drawn up in 1971, contained lavish provision for office accommodation—and the timing was right. Northampton, just 60 miles to the north of London, was able to take advantage of the property boom and attract companies seeking new accommodation.

The rush of development activity saw complete office space in the town rise by 12m. square feet from 1970, to take the total to around 2.25m. But for the last three years new projects have remained still-born and the town has begun a fundamental reassessment of future office plans.

In setting new guidelines for office development, the council is aware that it is swapping horses in midstream and there is no likelihood of ever realising the aspirations raised in the 1971 plan. The local authority has already reduced the office job content in some planning applications, but much more radical long-term action is required.

Existing empty office blocks have space for 3,000 workers while sites with planning consent, but as yet unbuilt, would provide a further 3,600 jobs. One fear is that other potential office sites, if proceeded with, could create another wave of perhaps 6,000 clerical jobs.

The significance of such growth can be appreciated when it is realised that the Northamptonshire County Council structure plan, which comes up for examination in July, estimates

that offices might account for only 5,000 of the 18,850 increase in jobs required by the town in the period up to 1981.

The first sign of any new start on office development would really set the seal on the revival in confidence albeit tentative, which agents are currently reporting.

British Timken

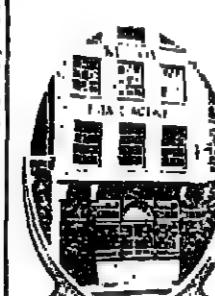


Queen's Award for Export Achievement 1977
More than 4,000 people in Northampton and Daventry producing bearings for the United Kingdom and exporting to the world.

TIMKEN

TAPERED ROLLER BEARINGS
Timken bearings sold around the world. Manufacturing in Australia, Brazil, Canada, England, France, South Africa and the U.S.A. ST(P)64

FOR ADVICE ON ALL PROPERTY MATTERS

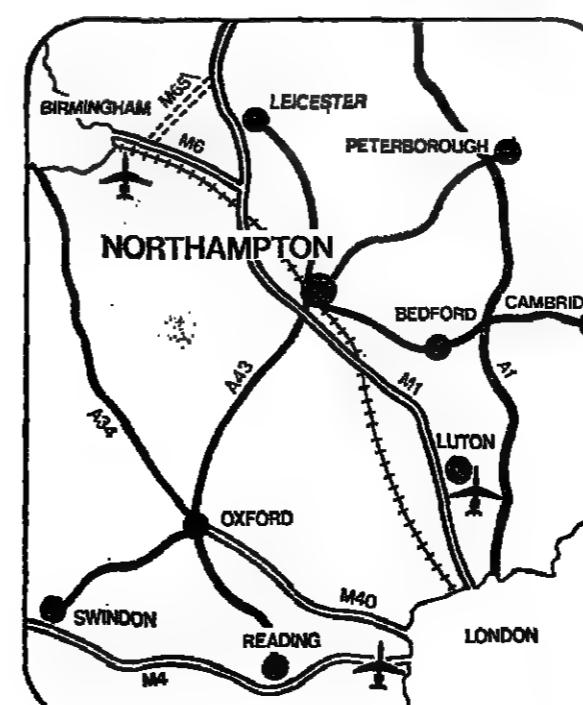


19 Market Square
Northampton NN1 2DL
Telephone: 0604-22811
ESTATE AGENTS
VALUERS
SURVEYORS
Branches at Bedford, Kempston, Aspley Guise, St. Neots

Saxon Inn

SILVER STREET, NORTHAMPTON
140 Bedrooms all with private bathroom, colour television, radio and telephone. Saddle Room Restaurant open for luncheons and dinners. Spomans Bar, Little Mermaid Coffee Shop, Banqueting and Conference facilities for up to 400. Wedding Receptions and Private Parties. All enquiries welcome. Saturday Evening Dinner and Dance open to non-residents. for reservations, please telephone NORTHAMPTON 22441

Economic, Flexible and Efficient New Offices 20-56,000 sq. ft. To Be Let.



A new development in Cliftonville Road, combining ease of access and an abundance of car parking within a spacious landscaped working environment.

Centrally sited—midway between the town centre and its motorway link-in—an expanding business area: close to Rockware Glass New Headquarters and Northampton Development Corporation.

By-Pass town centre congestion (and cost!)—and move direct to Cliftonville Road: an ideal office location.

- Spacious landscaped location
- Direct link to Ring Road
- Easy access to M1 M45 M6
- Good Road connections to Birmingham and Luton airports
- London 1 Hour Road or Rail
- Excellent Staff Availability
- Abundant Housing Opportunities
- Parking for 140 cars

A Development by Wilson (Connolly) Properties Ltd. WESTGATE, Industrial Estate NORTHAMPTON

Phase III 92,400 sq. ft.

UNDER CONSTRUCTION

- * High Quality Offices
- * Headroom 20'
- * Excellent loading Facilities

TO LET

Wilson & Partners Chamberlain & Willows 0604 22817 01 882 4633

A flexible, efficient and truly economic development is offered—purpose built to tenants' requirements.

Joint Sole Agents

JONES LANG WOOTTON
Chartered Surveyors 103 Mount Street, London W1Y 6AS. Tel: 01-493 6040

Wilson & Partners 56-60 St Giles Street, Northampton, NN1 1JW. Tel: 0604 22817

A Development by Interland
Interland Estates Limited

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• SERVICE

Aid to the roofer

USING THE Hewlett Packard 97 Gang-Nail fabricators, says the programmable calculator, Auto-company, at a competitive price. Building Components Said to reduce a job normally taking hours to a matter of calculator programme, called the minutes, the selected truss configuration, to provide a speedier figure, is fed through the HP 97's reader mechanism and estimating cutting details when information is received regarding timber roof trusses. The programmes cover all the chords, web sizes, overhang basic truss types and are lengths and cantilever sizes.

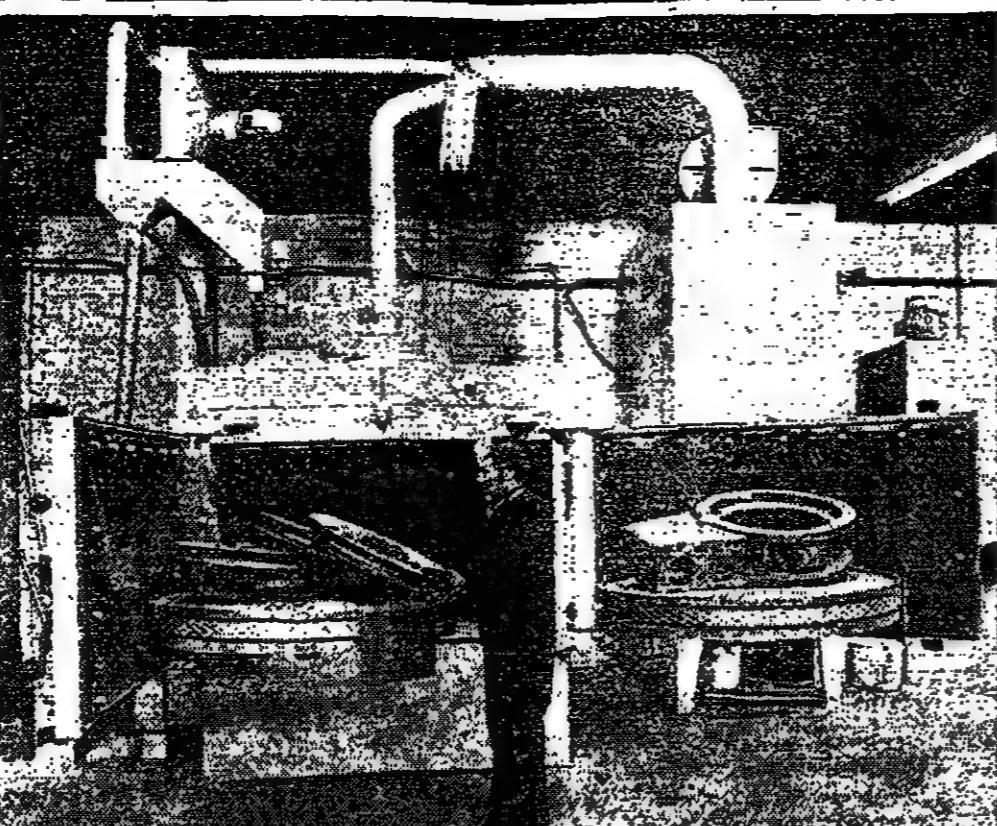
recorded on individual magnetic cards filed in a plastic folder. Estate, Farnham, Surrey GU9. They are available to licensed 9PQ.

• PROCESSING

Shredder reclaims waste

FACTORIES and reclamation. The latter materials are now concerned with the quickly reduced to a finely reprocessing of waste plastic shredded composition, easy to and similar materials have transport and ideal for reprocessing offered an increasing market for 100 British-made range of shredding machines, says the maker, in the range are fitted with pinch Vanesco, 165 Garth Road, rollers enabling bulkier materials to be squeezed directly into the high carbon steel cutter head.

The machines were originally intended for shredding waste. The standard machine, Wilki paper and cardboard but have MK VI has a g-feet in-feed confirmed to be extremely efficient conveyor and a take-off conveyor of for handling polythene sprayed 3 feet which can be replaced materials, textile bonded mats with a take-off hopper for airbags, vinyl, leather and foam, conveyor or extraction applications.



Shown here is the first model to be installed in the U.K. of the Abragir 62 rotary table shot blast machine made by Sisson-Lehmann of France. It is set up at the Hamilton works of George Taylor and Co. and was provided through the exclusive U.K. agents P & S Shot Blast and Finishing Equipment of Park Royal, London. In this new equipment components are placed on a rotating table and cleaned by

the projection of abrasive material from a turbine. Shot sand and dust pass to a system which cleans and recycles the abrasive prior to further projection. Freedom from dust is one characteristic of the equipment and another is its high throughput which can include relatively fragile components. More from the U.K. supplier on 01-963 3344.

• RESEARCH

Tapping an optic fibre

A

POTENTIALLY significant research project is under way at University College, London, in which signals are being injected into pulsed optical fibres without breaking or physically interfering with them in any way.

To practice this might mean for example, that telephone calls or data streams could be "added" in a fibre link anywhere down its length for reception at the far end.

In the UCL work light from

a gas laser is fed in at one end and the input transducers have

been made with a "clothes peg" WCIE 7 JE (01-381 7050).

construction and can simply be clipped on where needed. No insertion loss is produced in the fibre.

The work, which is supported by the Science Research Council and the Ministry of Defence, has reached the point where a colour television channel and a separate audio channel have been successfully injected into a fibre and retrieved at the far end.

Input data signals are modulated on to different sub-carrier frequencies and fed to these transducers which produce acoustic signals within the glass.

More from Professor D. E. N. Davies, Department of Electrical and Electronic Engineering, University College, London.

Known as the Micro Blaster, the tool is said to operate at higher speeds and with greater reliability and less wear than comparable models. It produces a precisely controlled, high-speed stream of abrasive particles which are directed through the pencil-type hand piece onto areas as small as 0.01 inches either freehand or using a stencil. A variety of effects

• METALWORKING

Fluidised bed idea licensed to U.S.

AN EXCLUSIVE licence is about to be signed between Procedyne, which has been building and selling electrically heated fluidised bed heat treatment furnaces in the U.S. for some 15 years, and Apollo Heat of the U.K. under which the latter's gas-heated fluidised bed technology, demonstrated in some nine plants to date, is to be exploited.

The company recently took part in a demonstration of its equipment comprising two plants in an automated line at the new premises set up by OTE Fluid Heat Treatment (Minium Tool), capable of carrying out treatments in the range 200 to 1050deg.C. with throughputs of 500/600 kg per hour. There is a quench fluidised bed and ancillaries such as tempering furnaces, quench tanks and washing equipment.

Though the principle of fluidising is not new and the application of a fluidised bed with its rapid and even heating of materials has been known for some time, Apollo has a number of significant world patents on its own method of achieving close control of bed temperatures. Apart from ensuring that the incoming gases are evenly and finely distributed, the technique

With the operation at OTE Fluid Heat, the company expects many companies to become familiar with what its equipment can do. It also has installed plants in France and Sweden and has Swedish and Japanese licensees.

And as knowledge that the Apollo design is operating successfully and efficiently with low capital cost and particularly economic use of high cost energy, demand for the equipment will grow.

More from Apollo at 82 Foley Road, Ackleton, near Wolverhampton, West Midlands WV6 7JL. Ackleton 602.

Full details from E. V. A. Headquarters, 30 Millbank, London SW1P 4RD, or from the Institute of Material Handling's stand at the exhibition.

BCIRA

SOLVES
YOUR
IRON CASTINGS
PROBLEMS

ALVECHURCH - BIRMINGHAM
Telephone Redditch 66414
Telex 337125

• EXHIBITIONS

Discussion on electric vehicles

FOLLOWING A successful seminar earlier this year, the Electric Vehicle Association of Great Britain is planning to hold ten more during 1978 at provincial centres.

The association, in co-operation with the Electricity Council and the Area Electricity Boards, will present a second seminar on May 18 as a feature of the Materials Handling and Factory Equipment Exhibition, Belle Vue, Manchester (May 15-19).

Subjects include: the source of vehicle power, batteries, their use, care and development; the application and maintenance of electric control equipment; the electric road vehicle today and tomorrow, and the electric fork truck in warehousing, in production and service industries.

Full details from E. V. A. Headquarters, 30 Millbank, London SW1P 4RD, or from the Institute of Material Handling's stand at the exhibition.

• SECURITY

Swallows secrets

RISK OF information leakage, from discarded documents, is eliminated if a high capacity shredder purpose-designed for devouring bulk computer printouts is used, says Offex, introducing its Computershred 1600.

The machine has a 16 inches wide throat and will accept large size computer printouts without having to fold or feed through a special funnel. It is capable of taking 30 sheets of 8½ inch wide printout and 25 sheets of large size, 14½ inch, wide printout at one pass, and copes with 110 feet per minute, ensuring rapid destruction of long computer runs with printout being shredded into 1 inch wide strips.

Further from Offex House, Stephen Street, London W1A IEA (01-638 3686).

• INSTRUMENTS

Digits show cable fault

AN INTRINSIC difficulty with many of the cable fault locators on the market that make use of pulse reflection techniques is that the oscilloscope traces they produce require a certain amount of interpretation and skill in accurately determining the distance to the fault.

Cossor Electronics, which developed one of the first transistorised equipments in the 1960's under a Royal Navy contract, has refined the technique by removing the oscilloscope display altogether.

Instead, the instrument has a digital display which ensures an accuracy of one per cent compared with three to five per cent previously. It can be set to make measurements on any cable type by simple selection on a thumbwheel switch.

The increased accuracy of the instrument can save time and money because ever-increasing labour and materials costs make errors of a few feet expensive when locating buried cable faults.

Weighing less than 10 kg, the unit will operate from the mains, internal rechargeable battery or from an external DC supply.

More from the company at The Pinnacles, Harlow, Essex CM19 5SS (0279 26862).

TODAY IN CWMBRAN NEW TOWN

★ New leasehold factories and serviced sites are ready NOW.

★ Government grants are available and substantial rent concessions may apply.

★ New motorways, fast trunk roads, High Speed Trains and modern docks link you with all your suppliers and markets.

★ New Town housing availability.

Cwmbran is one of Britain's most successful industrial developments - little more than 2 hours from London by M4 or 1½ hours by High Speed Train and 1½ hours from Birmingham by rail or motorway.

Cwmbran Development Corporation has already built and let more than 130 factories, and the current building programme provides a wide choice of modern leasehold industrial premises in 1978.

Fully serviced, leasehold sites are all available.

We have 45,000 people, excellent housing schools and amenities, a thriving industry, and a splendid shopping centre - a magnet for the region.

Get in touch for industrial opportunities and Government grants at Cwmbran Housing will be provided for all workers in new industry, and the key men who come with you initially will be housed immediately.

Please call, phone or use the coupon TODAY.

222 W. Mulberry Street, Suite 100, Indianapolis, Indiana 46222, USA.
Telephone (317) 262-1200
Please send me information about industrial properties etc.

NAME _____
POSITION _____
COMPANY _____
ADDRESS _____
CITY _____
STATE _____
ZIP CODE _____
PHONE NUMBER _____
TELETYPE NUMBER _____
FAX _____

We've got it covered.

If you're travelling to the West Coast of America, let Pan Am's people take you there. Well organise your visa in London. Book you on whichever flight suits you best. And give you a really comfortable ride all the way.

On a Pan Am 747.

A choice of main courses in Economy. And an exclusive dining room upstairs for First Class passengers.

If you're thinking of heading West, Pan Am's people are the only ones to offer you three flights by 747 a day. And the only ones to take you to four West Coast destinations.

So give your Travel Agent a ring. And ask him to book you on the world's most experienced airline.

PAN AM

Pan Am's People. Their experience makes the difference.

The Management Page

EDITED BY CHRISTOPHER LORENZ



Professor Edward Stamp

THE United Nations Commission on Transnational Corporations is meeting next week to consider the report from the UN Group of Experts on "International standards of accounting and reporting for transnational corporations."

The group of experts' proposals have already aroused considerable controversy, and executives of many transnational corporations have expressed opposition to them. The International Chamber of Commerce and the International Organisation of Employers are apparently preparing to resist the UN proposals, and many of the objections to the UN Report were brought into focus by Sir Henry Benson in an article he wrote for the Financial Times on March 22.

Doctrinaire

Sir Henry argued that the UN proposals go too far, that they are doctrinaire and take no account of realities, that they are likely to be used as a political weapon by Communist republics, that the costs are likely to exceed the benefits, and that the requirements for non-financial disclosure are especially formidable. Sir Henry thinks the scale and scope of the disclosure requirements are over-ambitious and are likely to be discriminatory, and he questions whether the UN ought to be involved in accounting developments. He suggests that on the contrary it would be better to leave it to the International Accounting Standards Committee to reach agreement on measurement standards before developing extensive new disclosure requirements.

Sir Henry Benson's views deserve the most serious consideration. I know of no one who has made a more important contribution to the development of international accounting standards than he does. His leadership is称赞ed by many distinguished experts. The UN proposals are dismissed by multinationals as "doctrinaire," "impractical," or, in Sir Henry Benson's words, "vague, useless, and misleading."

Accounting is often referred to as the international business language, writes MICHAEL LAFFERTY. Yet there is no international rule book and in many cases not even national yardsticks exist to guide companies or users of transnational accounting information.

The United Nations Commission on Transnational Corporations came up against this problem when it tried to study the activities of multinational companies a few years ago. So it appointed a group of international experts to look into the matter. The experts reported at the end of last year, proposing that the United Nations

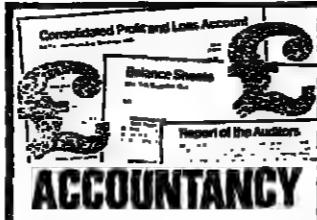
should issue a set of minimum disclosure guidelines for multinationals.

Next week the UN Commission on Transnational Corporations meets in Vienna to discuss, and possibly adopt, the experts' report. It will also have before it a lengthy submission from the International Chamber of Commerce, co-ordinating the multinational companies' views, which opposes the experts' proposals.

In this article Professor Edward Stamp argues that multinational companies are misguided in their opposition to the UN proposals. In particular he takes issue with the views of Sir Henry Benson.

Why opposition to the UN's disclosure plans is misguided

BY EDWARD STAMP



formed and got off to such a successful start. But I believe that Sir Henry's concern is misplaced. The UN proposals are by no means as radical as he fears, and it is notable that his successor as chairman of the IASC (Joseph P. Cummings of New York) was a vice-chairman of the group of experts that produced the UN proposals.

It is of course perfectly reasonable to argue that radical proposals carry with them the danger of creating too much resistance, so that desirable progress will be slowed down.

However, as I shall explain shortly, I do not believe that the UN proposals are radical. Moreover, multinational corporations in the rich developed countries must consider the potentially damaging effect of their opposition on the attitudes of moderate leaders in Third World countries. The UN proposals were drawn up by a group that included men like Mr. Cummings (chairman of the IASC), and deputy senior partner of Peat, Marwick, Mitchell in the U.S.), Mr. Gyllenhammar (president of Volvo), Herr Haevermann (a leading German accountant), and Mr. Pieter Louwers (chief internal auditor of the Philips Group in the Netherlands).

Third World leaders like President Nyerere of Tanzania (a man with immense influence in the Commonwealth as well as in the underdeveloped world) are not likely to be impressed if the proposals emanating from such a distinguished group of experts are dismissed by multinationals as "doctrinaire," "impractical," or, in Sir Henry Benson's words, "vague, useless, and misleading."

For example, the UN proposal for the disclosure of information on environmental measures is only one sentence long: "Description of types of major or special environmental measures carried out; together with cost data, where available."

Compare this with the enormous amount of information disclosed by major American corporations. A recent survey of the 1976 annual reports of the 500 largest U.S. corporations showed that a substantial number include "social responsibility disclosures." This information deals with such matters as pollution control; protection and conservation of the environment; energy conservation; fair business practices; employment of minorities, women and other special interest groups; employee health, safety and training; community involvement; product safety, etc. etc.

In view of all of this it is difficult to argue that similar information cannot or should not be given about multinational operations in Third World countries. The fear that the information so disclosed might be used to political advantage against the multinationals really does not stand up to close examination. It seems to me highly improbable that there is anyone in the Third World who could deploy such information more effectively than, say, Anthony Wedgwood-Benn or Ralph Nader.

Similarly, if one looks at the remaining UN recommendations in the areas of non-financial disclosure, they consist of modest proposals for information regarding production, investment programmes, organisational structure, and environmental measures. It will be easy for multinationals to provide this information, and none of it is likely to be damaging.

For example, the UN proposal for the disclosure of information on environmental measures is only one sentence long: "Description of types of major or special environmental measures carried out; together with cost data, where available."

One result of this is that British companies like ICI that are required to file reports with the SEC in the U.S. disclose their cost of sales and gross margin figures in the American reports, even though they do not yet give this information to readers of their British reports.

It is noteworthy that neither the Accounting Standards Committee nor the Stock Exchange has done anything to improve this situation, and auditor pressure (if it exists) has been equally ineffective.

It is very easy dismiss calls for stricter disclosure requirements by arguing that the costs will be heavy and the benefits small. Yet if one reads through the UN proposals it is difficult to believe that any multinational company, aided by its computers and its excellent financial control system, would sell it to them.

One element in the resistance to the UN proposals is undoubtedly the instinctive tendency towards secretiveness in the British establishment.



Sir Henry Benson

have any real difficulty in meeting the UN requirements. It is much more difficult to place a value on the benefits, just as it is difficult to measure the benefits obtained from such things as police forces, libraries, and gardens. Or, indeed, the benefits from the disclosure by British companies of their sales turnover, and by American companies of much additional information besides. There is no way in which costs and benefits can be numerically matched in such areas of decision making, but to suggest that any changes should wait until such measurements do become available would be to put off reform for improvement.

Indeed, one can argue that without some kind of government intervention many of the disclosures now being made by British companies would still be waiting to be introduced. Thus the 1967 Companies Act required the disclosure of sales turnover. Until that time many companies did not provide this figure. Since 1967 disclosure of sales turnover has become virtually universal, because it is mandatory. There is no doubt that the provision of this information is useful, yet it is unlikely that it would be generally available without this mandatory requirement.

Indeed, one still looks in vain at most British company reports for information about the company's cost of sales and gross profit margin. This information is generally not given, and the reason is very simple: it is not mandatory to give it. By contrast, in the U.S. and Canada where the provision of such information is required one finds that virtually all companies produce it, to the considerable advantage of readers of company reports in those two countries.

One result of this is that British companies like ICI that are required to file reports with the SEC in the U.S. disclose their cost of sales and gross margin figures in the American reports, even though they do not yet give this information to readers of their British reports.

It is noteworthy that neither the Accounting Standards Committee nor the Stock Exchange has done anything to improve this situation, and auditor pressure (if it exists) has been equally ineffective.

It is very easy dismiss calls for stricter disclosure requirements by arguing that the costs will be heavy and the benefits small. Yet if one reads through the UN proposals it is difficult to believe that any multinational company, aided by its computers and its excellent financial control system, would sell it to them.

Edward Stamp FCA (Canada) is J. Arthur Rank Research Professor and Director of the International Centre for Research in Accounting at the University of Lancaster. Previously he was Professor of Accounting at Edinburgh University, and has also been a partner in one of North America's largest accounting firms.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Insurance Commission

On retirement I kept one insurance agency which has since been used only for my own car and house policies. In each case the premiums are paid net of commission, total saving of just over £50 a year, and the Tax Inspector insists on raising an assessment on this sum. Is this right?

Your tax inspector has apparently overlooked (or misread) the judgments in Way v. Underdown (H.M. Inspector of Taxes) (No. 2) (49TC236).

In the light of that case, and after discussion with the Inland Revenue, the Consultative Committee of Accountancy Bodies issued a note on the law's position of agents and policyholders in April of last year. You should still be able to obtain a copy, by sending a stamped addressed envelope to the Publications Department, P.O. Box 433, Chartered Accountants Hall, Moorgate Place, London, EC2P 2BP (ask for leaflet TR24 (Tax Liability on Insurance Commissions)).

There is no specific legislation on this point, and it is hard to foresee what attitude the Courts might take if a case went to appeal.

However, although the current practice of the Board of Inland Revenue is to restrict the nominal wear-and-tear allowance to 10 per cent. of the net rent (exclusive of rates), we know that this new policy has been modified to allow existing agreed bases of computation to continue until such time as the Inspector realises his oversight.

Meanwhile, you may find reassurance in these extracts from the CCAB leaflet:

"1. Commissions received by an agent on his own insurance. An individual . . . inspoker who is entitled, as agent of an insurance company, to commissions on premiums on policies effected on his own account is not liable to tax on them as income in his hands . . ."

"2. Commissions received by a policyholder instead of an agent. If a policyholder who is not the insurance company's agent in relation to the policy pays directly

to the company a net premium (after deducting the commission) in respect of the insurance, the agent is not liable to tax on the commission which he has not received . . ."

Change of revenue practice

Each year for taxation purposes the computation of rents and expenses of flats let have shown a deduction of 10 per cent. wear and tear allowance calculated on the gross rental income. This year, the first time for over 20 years, the tax inspector has disallowed it, and wrote "I would advise you that the 10 per cent. wear and tear allowance right?"

Your tax inspector has apparently overlooked (or misread) the judgments in Way v. Underdown (H.M. Inspector of Taxes) (No. 2) (49TC236).

In the light of that case, and after discussion with the Inland Revenue, the Consultative Committee of Accountancy Bodies issued a note on the law's position of agents and policyholders in April of last year. You should still be able to obtain a copy, by sending a stamped addressed envelope to the Publications Department, P.O. Box 433, Chartered Accountants Hall, Moorgate Place, London, EC2P 2BP (ask for leaflet TR24 (Tax Liability on Insurance Commissions)).

There is no specific legislation on this point, and it is hard to foresee what attitude the Courts might take if a case went to appeal.

However, although the current practice of the Board of Inland Revenue is to restrict the nominal wear-and-tear allowance to 10 per cent. of the net rent (exclusive of rates), we know that this new policy has been modified to allow existing agreed bases of computation to continue until such time as the Inspector realises his oversight.

Meanwhile, you may find reassurance in these extracts from the CCAB leaflet:

"1. Commissions received by an agent on his own insurance. An individual . . . inspoker who is entitled, as agent of an insurance company, to commissions on premiums on policies effected on his own account is not liable to tax on them as income in his hands . . ."

"2. Commissions received by a policyholder instead of an agent. If a policyholder who is not the insurance company's agent in relation to the policy pays directly

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from Wednesday, May 10th, 1978, their Base Rate for lending will be increased from 7½ per cent. to 8 per cent. per annum.

Interest payable under the Bank's Demand Deposit Scheme on sums of £500 up to £100,000 will be at the rate of 8½ per cent. per annum. Interest rates for larger accounts will be quoted on application.

Hill Samuel & Co. Limited

100 Wood Street

London EC2P 2AJ

Telephone: 01-628 8011



Leave us to answer it

Rent an Agovox C380 telephone answering machine
the smallest & latest model from the Zeiss Group of West Germany



● 1-year rental at competitive rates
● available immediately

RING 01-778 7255 anytime!

Agovox Answering, 4 Sydenham Road, London SE26 5QY

Roast Beef of Old England



THE TOWER HOTEL
The Heart of London
An EMI Hotel

For centuries, the City has been graced with the aroma of the finest cooked meats in all England. The Carvery in the Tower Hotel maintains the tradition and presents you with a succulent selection of joints of roast beef, lamb and pork cooked to perfection.

Carve as much as you wish and

If you've got someone who can type and understand plain English, then you can computerise your business.

The BC/7 is a neat and very powerful small business computer system by Sperry Univac. Another good thing about it is that it doesn't need a computer expert to run it. Step by step, the Sperry Univac BC/7 can tell you in plain English exactly what to do to get the information you're after. Anything to do with your inventory, accounting, manufacturing, distributing, marketing...you name it,

you've got it in seconds instead of hours or days.

The Sperry Univac BC/7 doesn't need a special room. Or even special care. What it gets are more people supporting each new installation than from probably any other company. And if your BC/7 should ever need special attention, it gets it from us, fast.

Nowadays, the advantages of using a computer shouldn't need spelling out. When you invest in a BC/7, you can either buy it outright or lease it. Either way you only pay for the

size of system you really need. Because as you grow, so your BC/7 can grow.

From their early pioneering days, when they developed the world's first commercial computer, Sperry Univac have become one of the largest commercial computer manufacturers. Only a company with their resources could have developed, and back up, something as advanced as the BC/7 system.

Fill in the coupon and we'll tell you all about it. Or call this number: 01-965 0511 ext. 3359 or 01-961 2982.

SPERRY UNIVAC BC/7

The small computer that makes small businesses bigger.

Think big. Fill this in now.

Please send me more details on the BC/7. Please arrange a demonstration.

Name _____

Company _____

Tel. No. _____

Address _____

Position _____

Post to Eric Springate, Business Systems Marketing, Sperry Univac Centre, London NW10 8LS. Telephone: 01-965 0511 extension 3359 or 01-961 2982.

SPERRY + UNIVAC
COMPUTER SYSTEMS
SPERRY UNIVAC A DIVISION OF SPERRY RAND LIMITED

A triple A for Britain

BY DAVID LASCELLES in New York

WHEN Mr. Denis Healey announced in his Budget that Britain was going to issue \$350m. worth of bonds on the New York capital market, it came to most people as something of a surprise. It had never been done before and the New York market can be a difficult place for first-timers. But now that the bonds have been sold and all the documents signed, it is evident that apart from the money the British Treasury raised, the issue has done Britain some good.

For a start, the issue was so far the largest of its kind that Britain finally got the notice of a community not noted for its sense of geography or grasp of world affairs. The prospects for the bonds began. The United Kingdom, covering an area of approximately 94,000 square miles comprises the main island of Great Britain, with its numerous off-shore islands, and just in case people had forgotten,

Not everyone was prepared to say that this happened because Britain was a better bet than before. It was widely rumoured that the British Treasury decided against issuing bonds on learning that it would not get a Triple A rating. Some observers noted that the traditional links between the U.S. and Britain had well as the fact that the issue gave investors a chance to diversify into securities offered by Britain's major borrowers.

Spread were trading in derivatives, "It sold because of its price, nothing else." And it remains true that in political terms, at least, Britain's standing is far from strong.

But in the present atmosphere of anxiety about the U.S. it has become fashionable to point to overseas' oversize. While Britain's turnaround may not be as solid as Moody's suggests, it has made an impression here.

Oil riches

The optimism about the U.K. expressed by Mr. Peter Wriston, head of Citicorp, in his testimony to the Congressional Joint Committee (discussed in this column last month by Peter Riddell) is just one instance of this.

Down in Wall Street bankers' general renewal of interest in Britain. Apart from the success of the bond sale there is a growth of U.S. portfolio investment in Britain. Perhaps the greatest accolade of all, Britons have even been listed among the rich foreigners snapping up U.S. real estate with their new-found wealth—rather like the Arabs in London.

TV Radio

black and white
+ indicates programmes in

BBC 1

6.00-7.30 a.m. Open University.
9.30 For Schools, Colleges. 10.45
11.00 And Me. 11.00 For Schools,
12.15 p.m. Mid-day News.
1.00 Political Satire. 1.30 Europe.
2.00 For Schools, Colleges. 2.10
2.30 From Chester. 2.35
2.45 Political News. 10.00 England
10.30 London. 2.35 Play School.
4.20 Badley's Comets. 4.40

The Canals Children. 3.05 John
Craven's Newsround. 3.10 Think
of Number.

3.40 News.
3.55 Nationwide (London and
South-East only).

4.20 Nationwide.

4.30 News.

4.45 Weather. Regional News.

All Regions as BBC-1 except at

the following times:

Wales—5.10-5.40 p.m. Billboard.

6.00 Nationwide.

6.30 The Wednesday Film.

"The Ballad of Josie," star-

Jane Birkin.

7.00 BBC-1 Today.

7.30-8.30 In Our Nature.

8.30 The Weather for Wales.

9.00 News.

9.30 The Dick Emery Show.

10.00 Sportnight.

10.30 To-night.

Scotland—5.55-6.30 p.m. Report-

ing Scotland. 11.30 History Is My

Winnow. 12.00 News. Weather for

Scotland. 12.30 History for Scotland.

Northern Ireland—5.35-5.55 p.m.

Northern Ireland News. 5.55-6.30 p.m. Scene Around Six. 9.35-10.00 Spotlight. 11.35 News. Weather for Northern Ireland.

England—5.35-6.30 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South-West (Plymouth).

1.30 p.m. ATVs Newsdesk. 1.30 BBC-1. 1.30 The Sunhills. 1.35 Mt. and Mrs. 1.45 ATVs Today. 1.45 Ladies' Night. 1.50 Cinderella of the Sea. 1.55 News.

2.00 pm. Racing from Chester.

2.30 Open University.

7.00 News on 2 Headlines.

7.05 Mr. Smith's Flower Garden.

7.30 Newsday.

8.15 Bioscope Days.

8.35 Landscapes of England.

9.00 Call Me Bluff.

9.30 Play of the Week. "The

Window Boy."

11.30 Sun-News.

11.30 Arena Theatre.

12.00 a.m. Closeout: Reading.

LONDON

9.30 Schools Programmes. 12.00

More Comes Mumfie. 12.10 p.m.

Daisy. 12.30 Sounds of Britain. 1.00 News and F.I. Index.

1.30 Help! 1.30 Ten O'clock.

2.20 The Rolf Harris Show. 2.30

The Electric Theatre Show. 4.20

10.00 News. Oscar Peterson Presents.

RADIO 1

5.00 a.m. Stereophonic broadcast.

5.30 a.m. As Radio 2. 7.22 Date Line.

7.30 Simon Barlow. 11.33 Paul Hurst.

10.30 Michael Aspel. 11.33 Alan St. John.

11.30 David Frost. 12.00 John D.

12.30 Simon Barlow. 1.00 Jimi Hendrix.

1.30 Sports Desk. 1.30 Ten O'clock.

2.00 The Rolf Harris Show. 2.30

2.45 The Electric Theatre Show.

3.00 The Rolf Harris Show. 3.30

3.45 The Electric Theatre Show.

4.00 The Rolf Harris Show. 4.30

5.00 The Electric Theatre Show.

5.30 The Electric Theatre Show.

6.00 The Rolf Harris Show. 6.30

7.00 The Electric Theatre Show.

7.30 The Electric Theatre Show.

8.00 The Electric Theatre Show.

8.30 The Electric Theatre Show.

9.00 The Electric Theatre Show.

9.30 The Electric Theatre Show.

10.00 The Electric Theatre Show.

10.30 The Electric Theatre Show.

11.00 The Electric Theatre Show.

11.30 The Electric Theatre Show.

12.00 The Electric Theatre Show.

1.00 The Electric Theatre Show.

1.30 The Electric Theatre Show.

2.00 The Electric Theatre Show.

2.30 The Electric Theatre Show.

3.00 The Electric Theatre Show.

3.30 The Electric Theatre Show.

4.00 The Electric Theatre Show.

4.30 The Electric Theatre Show.

5.00 The Electric Theatre Show.

5.30 The Electric Theatre Show.

6.00 The Electric Theatre Show.

6.30 The Electric Theatre Show.

7.00 The Electric Theatre Show.

7.30 The Electric Theatre Show.

8.00 The Electric Theatre Show.

8.30 The Electric Theatre Show.

9.00 The Electric Theatre Show.

9.30 The Electric Theatre Show.

10.00 The Electric Theatre Show.

10.30 The Electric Theatre Show.

11.00 The Electric Theatre Show.

11.30 The Electric Theatre Show.

12.00 The Electric Theatre Show.

1.00 The Electric Theatre Show.

1.30 The Electric Theatre Show.

2.00 The Electric Theatre Show.

2.30 The Electric Theatre Show.

3.00 The Electric Theatre Show.

3.30 The Electric Theatre Show.

4.00 The Electric Theatre Show.

4.30 The Electric Theatre Show.

5.00 The Electric Theatre Show.

5.30 The Electric Theatre Show.

6.00 The Electric Theatre Show.

6.30 The Electric Theatre Show.

7.00 The Electric Theatre Show.

7.30 The Electric Theatre Show.

8.00 The Electric Theatre Show.

8.30 The Electric Theatre Show.

9.00 The Electric Theatre Show.

9.30 The Electric Theatre Show.

10.00 The Electric Theatre Show.

10.30 The Electric Theatre Show.

11.00 The Electric Theatre Show.

11.30 The Electric Theatre Show.

12.00 The Electric Theatre Show.

1.00 The Electric Theatre Show.

1.30 The Electric Theatre Show.

2.00 The Electric Theatre Show.

2.30 The Electric Theatre Show.

3.00 The Electric Theatre Show.

3.30 The Electric Theatre Show.

4.00 The Electric Theatre Show.

4.30 The Electric Theatre Show.

5.00 The Electric Theatre Show.

5.30 The Electric Theatre Show.

6.00 The Electric Theatre Show.

6.30 The Electric Theatre Show.

7.00 The Electric Theatre Show.

7.30 The Electric Theatre Show.

8.00 The Electric Theatre Show.

8.30 The Electric Theatre Show.

9.00 The Electric Theatre Show.

9.30 The Electric Theatre Show.

10.00 The Electric Theatre Show.

10.30 The Electric Theatre Show.

11.00 The Electric Theatre Show.

11.30 The Electric Theatre Show.

12.00 The Electric Theatre Show.

1.00 The Electric Theatre Show.

1.30 The Electric Theatre

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 885341/2, 883897
Telephone: 01-243 8000

Wednesday May 10 1978

The challenge to society

THE COLD-BLOODED murder of Aldo Moro will send shock-waves not only through Italy but throughout civilised Western society. In human terms, his fate is no more tragic than that of scores of other kidnap victims who have met gruesome deaths in recent months. What makes Signor Moro's death especially shocking was his position as one of Italy's most powerful and respected political figures, at the pinnacle of one of West Europe's most important democracies. His eminence underlines both the enormity of the structures, and recent years Red Brigades' action and the inability of a modern Western society to guarantee the security of its elected leaders.

Provocative
If Signor Moro had been kidnapped for money, like so many other prosperous Italians, the authorities would no doubt have allowed his family to strike a deal. But in violent streak in Italian society, his case, his abductors made it has not always been so clear from the outset ruthlessly efficient. There is that their objective was to growing evidence that the Red "declare war on the State" Brigades are linked to other international terrorist movements like the West German Baader-Meinhoff gang. It is a chilling prospect for everyone living in a free society if such underground networks are allowed to take root. So far, however, international co-operation against terrorism, whether between Governments or police forces, is still in its infancy—despite numerous expressions of good intent.

Blackmail
Significantly, the toughest resistance to any kind of deal throughout the agonising weeks of Sr. Moro's captivity came from the Communists. Their attitude no doubt partly reflects the importance they give counter-measures in to attach to dissociating themselves from the lawlessness of values that are under assault, the extreme left. A major plank Yesterday, the Vatican of their strategy is to convince Signor Moro's death Italian and world opinion that as being of "almost sacrificial value." If the Italian Government's firmness encourages others to follow suit, and if more serious efforts are now made to combat terrorism at International level, then Aldo Moro may not have died in vain.

Post-Budget City blues

IT IS NOT surprising that the financial markets were upset yesterday. The first reason was the combined success of the opposition parties at Westminster in amending the Finance Bill to cut the standard rate of income tax by 1p in the pound. While lower taxes are always to be welcomed, this particular cut will be of relatively little benefit to anyone but will add £340m. (£370m. in a full year) to the public sector borrowing requirement. Since the City was already worried about the Government's ability to finance the PSBR all it stood, and since further cuts in taxation may still be forced through, there is now widespread talk of still higher interest rates. It is encouraged by the fact that the Chancellor seems in no hurry to propose the cuts in public expenditure or the rise in indirect taxation that would restore the previous position.

CBI gloom
There were other, purely financial reasons for gloom. When Minimum Lending Rate rose last week from 7% to 8% per cent., instead of the 8 per cent. generally expected, there was a feeling that it had a little further to rise before a temporary peak seemed to have been reached and the Government could begin setting checks. When the clearing banks adjusted their base rates yesterday, it appeared that they shared this point of view. The banking figures issued yesterday, moreover, showed a very sharp rise in eligible liabilities, though special factors may have been partly responsible for this.

Meanwhile the Confederation of British Industry, which wanted a much more expansionary Budget, with larger cuts in direct taxation offset by a low, moreover, perhaps in the hope of influencing wage negotiations, may also have underestimated tax revenue and overestimated the size of the PSBR. But the markets are unlikely to settle down until the immediate outlook is clearer than it is at present. The next major hurdle is the April trade figures, due to be published at the beginning of next week.

THE DEATH of Sig. Aldo Moro removes from the Italian political scene the most complex political personality, and one of the most influential since Alcide de Gasperi, the "father" of post-war Italy.

Sig. Moro, a southerner with a strong political base in Bari, was born in 1916, and entered Christian Democratic politics following a distinguished academic career devoted to law which he was to follow more as an academic and university lecturer than a practitioner.

Serving initially as Foreign Affairs Under Secretary in one of the de Gasperi Governments, Sig. Moro advanced within the Christian Democratic hierarchy to become Prime Minister five times and secretary-general of

his party.

But his really distinguishing

mark was his ability to plot,

and subsequently to deal with

complex political and social

changes in Italy, starting in the

early 1960s when the Christian

Democrats lost their seemingly

permanent hold on power.

It was he who charted then the

so-called "opening to the Left"

in Italian politics, when the

Christian Democrats accepted

(however reluctantly) the

Socialists in a governing

coalition. Shortly before his

kidnapping on March 16 he had

charted an even more controver-

sial political advance — a

governing deal with the

country's powerful Communist

(PCI) forces, which saw the

latter enter for the first time

in some 30 years the ruling

parliamentary alliance.

A proven vote-getter in his

own constituency, and a man

who always maintained the

closest contacts with the

Vatican, and particularly with

the present Pope Paul, Sig.

Moro simultaneously managed

to maintain "appropriate" links

with the Communist Party. The

PCI leadership looked upon him

as one of the few established

Christian Democrat politicians

with whom it might be possible

to "do a deal."

Sig. Moro combined two un-

usual attributes in Italian politi-

cal life. He was both a political

realist and a supreme political

strategist, a man who seldom

made a decision lightly but,

having made it, insisted with

his own party on honouring his

commitment. His admirers,

and they were legion, liked to

point to his own peculiar

strategy for reaching political

bodysguards died.

He would work out on sepa-

rate sheets of paper every con-

ceivable implication of a single

political decision in order to

ascertain the likely extent of

any initiative.

It was this style of decision-

making which endeared him to

the Communist leadership,

which itself has always looked

well beyond a particular politi-

cal act towards a possible

long-term partisan gain. One

Communist source said here

become, if anything, rather less

optimistic since the Budget.

This seems to be partly because

it was less expansionary than

hoped, partly because the tax

benefit to middle management

was so small, and partly because

export prospects in a depressed

world market remain bleak.

Although the fall in the sterling

exchange rate has caused some

slight revival of hope in this

last area. Much the most

important constraint on fuller

use of capacity remains the

inadequacy of demand (though

there appear to be significant

shortages already of skilled

labour) and it is expected that

numbers employed will continue

to fall.

The CBI mentions three

bright spots in the picture, the

firmness of investment inten-

tions, the modest reduction in

cost increases, and the absence

of any further worsening in the

financial position of companies.

But investment intentions can

be changed, especially if interest

rates rise temporarily high. The

cost position is worsening with

the very drop in sterling which

the CBI wanted for competitive

reasons, as shown in the latest

wholesale price indices. And the

regular delay in passing on such

increases may well have some

effect on company profits.

Trade figures

Market sentiment tends to

move from one extreme to the

other. Mr. Healey has at least

made the PSBR mentioned in

the Budget a firmer target than

before and it is difficult to

believe that he will want in a

time of high unemployment and

poor competitiveness, to

offset reductions in direct

personal tax or higher employers'

insurance contributions. Since

he has almost certainly pitched

his inflation forecast rather too

low, moreover, perhaps in the

hope of influencing wage

negotiations, he may also have

underestimated tax revenue and

overestimated the size of the

PSBR. But the markets are

unlikely to settle down until the

immediate outlook is clearer

than it is at present. The next

major hurdle is the April trade

figures, due to be published at

the beginning of next week.

Right wing score

Anyone who watched last

Saturday's Cup Final and

wondered if British soccer has

acquired almost religious over-

tones, should pause to note how

the game stirs Catalan fans.

Barcelona FC—"Barca" for its

passionate followers—had

three titles within its grasp last

month, only to finish with one,

the Spanish Cup. But it has

been the off-field activities of

the candidates for the presi-

Moro's sacrifice gives Italy a new chance

BY DOMINICK J. COYLE AND PAUL BETTS, ROME, MAY 9



ENRICO BERLINGUER
... the conservative-revolutionary paradox.

not surrendering to the terrorists, in spite of intense internal pressures to negotiate for the release of Sig. Moro coming from the family of the former Premier and his closest allies.

This stand was dictated

A cottage industry nuclear bomb

BY DAVID FISHLOCK, Science Editor

PARLIAMENT WILL vote on Monday for the second and presumably final time on the Government's decision to expand the Windscale factory for reprocessing spent nuclear fuel. As was the case late in March, when MPs supported the decision by a 3-1 majority, the main case against the project will not be one of local safety or amenity but the international issue of proliferation of nuclear weapons. Plutonium, the by-product of reprocessing spent fuel, can be used as a nuclear explosive.

But there are ways of obtaining nuclear explosive other than building a £600m reprocessing plant. The director of Los Alamos, the U.S. national laboratory where the first nuclear bombs were designed, privately warned a top-level Brazilian nuclear group, to enrich uranium fuel for that country's first two German-built nuclear reactors. Brazil has refused to sign the Non-Proliferation Treaty (NPT) formally forswearing nuclear weapons.

New threat

For Urenco and the three Governments behind it, the worry is not the proliferation potential of its present technology, but the fact that this technology might be superseded within a few years by one commercially more attractive and much less resistant to proliferation. The problem comes at a time when Urenco is about to undertake a big expansion of its gas centrifuge enrichment capacity; and at a time when the U.S. Government has just embarked on a \$3bn investment in the same technology.

The Parker report* on Windscale dismisses proliferation as an argument against the project, principally on a strict legal interpretation of Britain's international obligations. Nevertheless, as the report clearly shows, proliferation of nuclear

explosives remains a much more real fear than other aspects of safety, no fewer than seven of which were raised by opponents at the inquiry. Some opponents have already indicated, however, that they believe that plutonium and reprocessing may not be the real danger of "enriching" by increasing the presence of the fissile uranium-235 component have exploited the slight difference in mass (weight) of the two isotopes.

Nuclear opposition groups in Britain have announced a "Stop Urenco" campaign, to begin this month; Urenco is to begin the Anglo-German-Dutch consortium engaged in uranium enrichment in Britain and Holland. Their antagonism has been aroused by a £100m contract Urenco signed last year with Nuclebras, a state-owned Brazilian nuclear group, to enrich uranium fuel for that country's first two German-built nuclear reactors. Brazil has refused to sign the Non-Proliferation Treaty (NPT) formally forswearing nuclear weapons.

In the 1960s a new enrichment technology began to look promising enough to earn the label "poor man's route to the A-bomb." Technically, the gas centrifuge was a much more exacting way of separating isotopes, by centrifuging uranium gas at immense speed. The commercial attraction was that given good centrifuges the energy required could be one-tenth or less than that required for gas diffusion. The primary safeguard against proliferation was—and still is—that the engineering skill and effort required to make large numbers of reliable centrifuges remains beyond the reach of most nations.

Laser enrichment is fundamentally different from gas diffusion and the gas centrifuge, both of which exploit the slight difference in mass. The idea is to make the desired isotope more distinguishable from the other, by artificially "exciting" it with a light ray. If the idea can be made to work it could offer at least three compelling advantages over established methods of enrichment.

• It should require only about one-thousandth of the energy of gas diffusion.
• It should give almost complete separation.
• It should reduce the process of enrichment to the scale of a "cottage industry."

For these reasons it can be assumed that most nations with nuclear aspirations—peaceful or otherwise—are researching laser enrichment to-day. Britain (at Harwell), the U.S., Soviet Union, France, West Germany and Israel are among those which have publicly acknowledged this interest. For these reasons laser enrichment presents one of the most serious threats of nuclear proliferation. Yet the critics of nuclear power have been reluctant to acknowledge it, because it makes nonsense of their professed fears of plutonium proliferation.

What is more, the technology is very difficult to "classify" or even restrict to the public sector. The principle promises ways of separating many useful isotopes—no military significance—much more readily and cheaply, for use in medicine, research and manufacture. Such materials by weight can cost upwards of 300 times the price of gold. The laser techniques are close to those just beginning to excite chemists, who see lasers as potential industrial energy sources that might be used to stimulate a specific reaction very efficiently. In Britain, ICI's central research laboratory at Runcorn is experimenting with a very powerful laser that may one day afford, say, a better way of purifying a premium product such as a drug. In the U.S. several industrial companies have been in the van-



A high-power carbon dioxide laser beam strikes sparks from titanium metal in an industrial application for United Technologies.

operation. In fact, the common factor they share is that they present a particularly difficult challenge which, if solved, must be seen in the context of a country possessing about 50 per cent. of the proven uranium reserves outside the East bloc. For others—such as Britain, West Germany, Israel—lacking indigenous uranium, the incentive to make fullest use of all imports, all the stronger.

Does laser enrichment inevitably raise a big new nuclear proliferation risk? So important may laser-stimulated reactions prove to chemists that it will be impossible to keep the underlying technology secret. In that respect it differs from reprocessing which is of interest only for nuclear purposes. But enough seems to be known about a laser enrichment to say that although it may be compact enough to call a cottage industry, it will never become a "bucket shop" operation. The combination of technologies needed is far too sophisticated.

A more embarrassing situation may arise as a consequence of the exercise President Carter launched last autumn in an endeavour to find nuclear techniques intrinsically more resistant to proliferation than reprocessing. Some 40 nations are participating in the International Nuclear Fuel Cycle Evaluation, only five of which are known for certain to have nuclear explosives. Some of the five—including Britain—now fear that it may not be possible to demonstrate convincingly why certain technology—say, a thorium fuel cycle for reactors, or laser enrichment—is a proliferation risk, without putting a would-be bombmaker down the very path they would wish to pursue.

Laser enrichment is the one technology which promises to be able to do this. Britain's present stockpile of 20,000 tonnes of depleted uranium, mostly accumulated from the weapons programme of the 1950s, still contains enough uranium-235 to run the 6,000 MW of advanced gas-cooled reactors in operation or under construction in Britain for eight years. What is more, the extraction of residual uranium-235 will in no way diminish the value of this stockpile as a potential fuel for fast breeder reactors for this process depends on different nuclear reactions.

In the U.S. which, of course, has far bigger stockpiles, the Department of Energy, it was recently reported, is already talking of three to five laser-enrichment plants in the

* The Windscale Inquiry, para 417 p

Letters to the Editor

Changing unions

From Mr. P. Cox.

Sir.—In his letter (May 4) Mr. Webb highlights the attitude of the Advisory Conciliation and Arbitration Service in support of the TUC-led large unions. The situation is worse than he fears.

Earlier cases of managerial and professional unions, such as U.K. Association of Professional Engineers and the Engineers and Managers Association, seeking recognition which have been referred to ACAS, have all been dealt with in the same way. In spite of major support by the staffs concerned for these unions, ACAS has shied away from making any recommendation which might upset the established pattern of shop floor union domination.

The frightening aspect as far as the future health of the country is concerned is that in the particular cases, the Engineering Employers Federation and British Shipbuilders appear entirely indifferent to the submergence of their managerial and professional staffs in the labour dominated unions, and have supported the TUC representations to ACAS. This will help towards a quiet life for negotiations with unions but will do nothing to aid the economic development the country needs. Unless employers are prepared to recognise and encourage the leaders on whom our wealth and wellbeing depends, we cannot expect anything other than a continuation of our slow deterioration.

We have a difficult task in the next few years to adapt the economy to accept the major technological advances which are now upon us—the silicon chip revolution is one major facet of this and this will require the skill and leadership we can command. Does Mr. Goringham of ACAS, recognise this and if he does has he the courage to help us in the right direction?

Peter A. Cox.

Three Gables,

10, West View Road,

Wantage, Oxfordshire.

Arbitration and conciliation

From Mr. J. Webb.

Sir.—I must apologise for sending an uncorrected copy of my letter on arbitration and conciliation (May 4)—the opening of the second paragraph should of course have read that there was a majority response in favour of representation by the Association of Polytechnic Teachers in two of the three polytechnics and not (as I had typed) all of the three.

I trust that the fact that the Polytechnic of North London was mentioned as the lone dissenting voice later in that paragraph, and in Alan Pike's article on Page 8 in the same issue will have undone the damage.

Alan Pike's article nicely underlines the "Catch 22" aspect of recognition—that a union without national negotiating responsibilities finds difficulty in getting recognition for local negotiation—without which it is unlikely to obtain the recognition for national negotiation necessary for it to be recognised locally and so on and so in a circular trap.

John Webb.

Barnham House, 13 High Street,

Hampton, Middlesex.

Sounder footing for cricket

From the Hon. Fixtures Secretary.

Watford Town Cricket Club.

Sir.—Many cricket followers may have shared my disappointment with Trevor Bally's remarks (May 8) that in the Benson and Hedges Cup competition, "matches against two minor county teams... have negligible appeal."

The current balance of playing power has, in these games, produced predictable results which have subsequently aroused some little comment, but the fact that the scope of the competition has been widened in this manner must be seen as a commendable move by the authorities/sponsors.

In order to put cricket on to a commercially sounder footing—the basis of Mr. Bally's article—such schemes to attract a wider audience deserve the widest consideration. The three "one-day" competitions all involve some matches on grounds where first-class cricket is an unusual occurrence. These matches regularly

attract substantial crowds by virtue of their rarity in the town concerned. Lancashire will play one of their Benson and Hedges Cup games in Watford and the interest already aroused in the area indicates that the fixture will be another valuable money-earner for the sport.

The authorities are, at last, taking cricket to the people instead of relying on the loyal support at traditional venues (often in rural locations, poorly served by public transport). Their efforts are not to be deprecated.

R. Bayliss.

10, Dorchester Court,

Chalk Hill,

Oxhey, Watford, Herts.

Business (that is, managers and trade unions) must be able to plan ahead, and adjust their policies to a realistic appraisal of their future situation. This sort of arbitrary and unreasonable change in policy makes this impossible when such a fundamental aspect of personnel policy as a profit sharing scheme depends on the whim of Government.

The only solution is for Governments to refrain from this level of interference in business. The lesson should be headed by the Liberals and Conservatives, who advocate legislation on profit sharing, and by the Labour Party, who cynically bought Liberal votes with discriminatory tax advantages to favour some schemes—and certainly not the most effective.

Incidentally, a better attitude by Governments might be encouraged by more responsible reporting in the Press. You describe (May 4) the recent Marks and Spencer bonus as a "profit share scheme," no doubt reflecting the company's own description of it to their staff. Of course any payment to employees can be described as "profit sharing," but it is not wise to apply the term indiscriminately. In brief, the Marks and Spencer scheme seems to be a bonus paid this year (with no undertaking ever to repeat the payment), from which tax is deducted, and which is paid in the form of shares. Employees are free to sell the shares immediately if they wish. Surely a payment of a bonus in shares instead of cash is not of itself sufficient to warrant the term "profit sharing"?

B. A. Cole.

"Drake Wood,"

Deanshore Avenue, Amersham,

Buckinghamshire.

From Mr. G. Bonewick.

Sir.—We read Lex's comments (May 8) on the "U.K. shipping crisis" with interest. Crisis or not, there can be no doubt, as he wrote, that some companies are running into serious financial difficulties. Indeed, it is true to say that a number of little-known minor concerns have been in trouble for months.

Yet only last September, at the annual conference of the TUC, Mr. E. Nevin, general secretary of the Merchant Navy and Airline Officers' Association, spoke of the "modern and prosperous" British shipping industry and claimed that British shipowners had enjoyed a "bonanza" and "excess profits" because they "have not had to pay for the job."

The Merchant Navy is the MNAOA's Journal. "The Telegraph," we read, reported on an "order being placed for a new type of huge monitor." It is disappointing to learn that it was not intended for the general secretary's own use.

G. J. Bonewick.

Mercantile Consultants and Investments,

17, Chestnut Avenue,

Wokingham, Berks.

From Mr. H. Irvine-Fortescue.

Sir.—Mr. Adrian Gray (April 28) is right to draw attention to the quite sharp fluctuations in the price of gold.

The recent fall to \$170 an oz. has of course been caused by the U.S. monetary authority announcement to sell gold from its stock at regular intervals. This coincides with regular International Monetary Fund sales and, more recently, with the Indian Government's decision to off-load some of its gold stock.

If we look at gold's price fluctuations since May 1977 (approximately \$140-\$180) we see that there is a certain degree of stability about the mean at \$160. I believe that gold, as a long-term hedge against paper money devaluation, has no equal though I must admit that Governments can depress the price by selling from stock.

H. Irvine Fortescue.

The Old Dairy House,

Tremadum,

Stock-on-Trent.

From the Head of Information, World Wildlife Fund.

Sir.—The increasing military activity in Chad reported on May 5 has not only serious political significance.

Some of Africa's most threatened animals are found in Chad, including the addax and scimitar-horned oryx.

It is interesting to note that some 80 per cent. of all company cars in America are leased, and with some £5bn. being spent in the United Kingdom on company cars and their running it is important that this valuable financial tool be available to be thoroughly understood by management and their advisers.

Michael Goddard.

GENERAL Treasury issues details of Central Government financial transactions, including borrowing requirement (April).

European Parliament in session, Strasbourg.

TUC Economic Committee meets.

Publication of Government competitive document—"A Review of Monopolies and Mergers Policy" (Cmnd. 7198).

Mr. Roy Hattersley, Prices Secretary, addresses Electrical Contractors Association annual conference, Eastbourne.

Transport workers lobby Parliament on pay.

Amalgamated Union of Engineering Workers' conference continues, Worthing.

Civil and Public Services Association conference continues, Bournemouth.

Society of Civil and Public Servants' conference discusses pay, Bournemouth.

Today's Events

PARLIAMENTARY BUSINESS

House of Commons: Finance Bill committee.

House of Lords: Solomon Island Bill, third reading, Scotland Bill, committee.

Select Committees: Expenditure (Trade and Industry sub-committee). Subject: Measures to prevent collisions and strandings of noxious cargo carriers in waters around the U.K. Witnesses: HM Treasury (4.30 p.m., Room 8); Expenditure (Environment sub-committee). Subject: Planning procedures. Witness: Mr. Reginald Freeson, Minister for Housing and Construction (5 p.m., Room 5).

Transport Select Committee: Review of services and resources. Witness: Sir John Barfoot, Head of the Home Civil Service (5 p.m., Room 7). Race Relations and Immigration. Subject: Effects of EEC membership on race relations and immigration. Witness: Officials from Department of Health and Social Security and Department of Education and Science (5 p.m., Room 11).

Project: Appropriation accounts. Witnesses: Department of Industry; Scottish Economic Planning Department; Welsh Office (4 p.m., Room 10); Overseas Development, Subject: Re-negotiation of Loans Convention. Witnesses: HM Treasury (4.30 p.m., Room 8); Expenditure (Environment sub-committee). Subject: Planning procedures. Witness: Mr. Reginald Freeson, Minister for Housing and Construction (5 p.m., Room 5).

Transport Select Committee: Review of services and resources. Witness: Sir John Barfoot, Head of the Home Civil Service (5 p.m., Room 7). Race Relations and Immigration. Subject: Effects of EEC membership on race relations and immigration. Witness: Officials from Department of Health and Social Security and Department of Education and Science (5 p.m., Room 11).

COMPANY RESULTS

Akroyd and Simmers (half-year), Allied Irish Banks (full year), Royal Insurance (first quarter figures).

COMPANY MEETINGS

BTR, Castle Hall, S.W. 12. Gibbons, Dudley, Birmingham, 12.15. Gibbs and Dandy, Luton, 11.30. Hewitt (4) and None (Penion), Stoke on Trent, 12. Instock Johnson, Hyde Park Hotel, S.W. 12. Jardine Matheson, 12. Lombard Street, E.C. 2. Ottoman Bank, Great Eastern Hotel, E.C. 2. Royal Insurance, Liverpool, 12. Robinson (Thomas), Rochdale, 12.

MUSIC

Deborah Baillie (violin) and David Miller (guitar), Guildhall School of Music and Drama, Barbican, E.C. 2. 1.10 p.m.

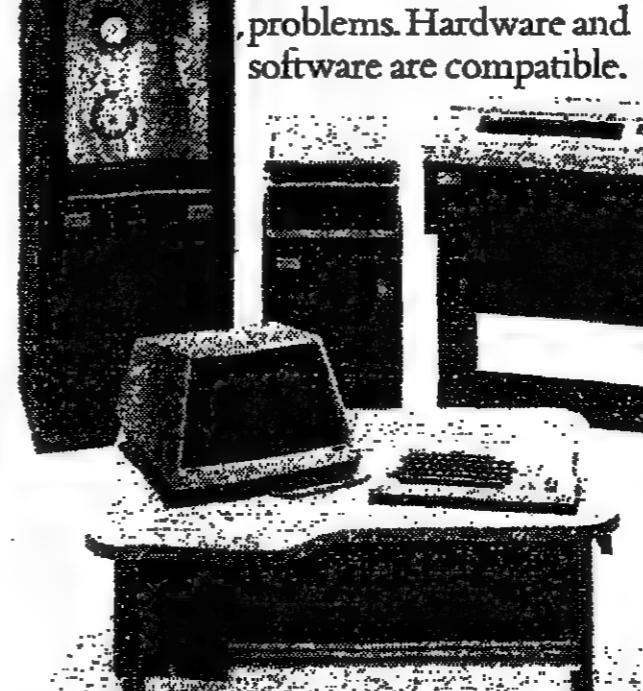
London Mozart Players, conductor Harry Blech, in programme of Mozart and Haydn, Royal Festival Hall, S.E. 1. 8 p.m.

The R-range from Redifon

"Sets new standards in data entry and distributed data processing systems"

R-range consists of six computer hardware families and seven systems software products. Mix hardware with software and you have a tailored solution to data entry and distributed data processing requirements.

As your requirements change, you can change the mix without conversion problems. Hardware and software are compatible.



COMPANY NEWS + COMMENT

United Scientific well ahead halfway

REFLECTING INCREASED levels of trading and including results from the recently acquired Optic Electronic Corporation, pre-tax profits of United Scientific Holdings increased by 56 per cent for the six months to March 31, 1978 from £1.6m. to £2.81m.

Turnover jumped by 104 per cent, from £6.27m. to £12.81m. and the directors say that it is anticipated that both turnover and profit for the second half should be maintained at a level similar to that of the first half. Profit for the whole of the 1976/77 year was a record £2.78m.

The forward order book for the group at the end of April stood at £27.7m., which currently represents just over 12 months' turnover.

The new factory for the production of laser rangefinders at Tauton is now in operation and provides a substantial increase in capacity for the output of this equipment.

On capital increased from a 5 per cent. rights issue, the latest dividend is 6.1p net per share—last year's final was 1.3052p.

• comment

Stripping out Optic Electronic, United Scientific's first half profits are only 37 per cent. higher on a sales gain of 42 per cent.—reflecting volume growth of about a fifth—while the shares stand on a premium rating. Moreover, the foreign imports unchanged profits from United Scientific in the second half and the shares fell 14p to 389p, giving a prospective p/e of 17 (maximum tax charge) while the yield is around 1 per cent. Clearly, if United Scientific is to justify this rating, it will have to get back on the growth path. In the meantime, exports have led the way and now account for around 70 per cent. of group sales. Compared with last during the year 1976/77, United Scientific's products related fire-control equipment mainly for military use has continued to grow, with strong interest from South American governments. The Tauton factory has now come on stream and capacity for the laser range-finder, for which there are large orders, is double that of six months ago. Meanwhile, the acquisition of Dallas-based Optical Electronic gives the company a move to break into the U.S. defence market, although competition will make this difficult, particularly for the laser range-finder.

PILKINGTON'S NEW COMPANY

Pilkington Brothers and Burbons and Crossfield have set up a joint company which will carry on the business of their previously separate Pyrolytic Glass merchant operations. Twelve wholesale retail outlets are involved, which employ 440 people. The new company will be called Elders Walker Millican.

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Aberthaw Cement	25	1	Lesney Products	23	4
Averys	23	2	Mallinson-Denny	22	5
Bank of Ireland	25	3	Mapin & Webb	24	5
Barr & WAT	25	3	Medical Sickness	25	1
Booth (Inn)	22	4	Mercantile Credit	23	3
British Northrop	25	5	PLA	22	8
Cedar Inv. Trust	23	2	Progressive Secs.	23	1
Central & Sheerwood	23	1	Nichards	24	6
Costain (R.)	23	1	Rush & Tompkins	24	4
Electrical & Ind. Secs.	23	1	Smith & Nephew	22	3
Farnell Electronics	26	5	United Biscuits	23	2
FPA Construction	24	1	United Scientific	22	2
Henderson (P. C.)	24	4	Westward TV	22	5
Heslar	24	7	Wire & Plastic	26	5

Averys reaches £15.4m.

TURNOVER FOR 1977 of Averys which manufactures weighing testing and measuring machines, expanded from £5.14m. to £10.15m. and pre-tax profits rose from £1.87m. to £3.5m. against £2.89m. in 1976. Averys is looking for further improvement in pre-tax profits this year. At 145p, the shares yield 6.1 per cent. on a p/e of 15.

21% growth for Smith & Nephew

FIRST-QUARTER sales to March 1978, of Smith and Nephew Associated Companies rose 5.5 per cent. of £2.37m. and taxable profit increased 20.8 per cent. to £4.49m.

Operating profits improved from £4.49m. to £4.73m. and the profit margin at the tax rate was aided by an exchange gain of £150,000, compared with a loss of £88,000. Interest amounted to 1.20p per £10 share.

The tax charge excludes U.K. deferred tax. Had provision been made for this the attributable balance would have been £2.28m. (£1.71m.) and earnings 1.52p.

For the last full year profits of this manufacturer of surgical, medical and sanitary products, textiles, clothing, toiletries and plastics, were £17.34m. from which a total net dividend of 2.4086p was paid.

• comment

Averys' impressive 5 per cent. rise in pre-tax profits last year compares with an exceptionally strong 1976 which had the benefit of three non-trading factors—including an exchange gain of 1.1m. This year the group incurred an exchange loss of some £300,000 which fell in its important second half. Excluding these exceptional factors, Averys' latest figures suggest some satisfactory growth in its weighing and testing machine and general products divisions at home, where it managed to in-

crease its market share. On the other hand, its international division showed no significant headway after the good increase in 1976. With both sale and orders at home and overseas currently running ahead of 1976 levels, Averys is looking for further improvement in pre-tax profits this year. At 145p, the shares yield 6.1 per cent. on a p/e of 15.

Margins and imports hit Booth Intl.

AFTER RISING from £0.53m. to £0.64m. in the first half, pre-tax profits of Booth (International Holdings)—hide and skin merchants and tanners—finished 1977 from £1.68m. to £1.83m. on turnover of £32.4m. against £24.1m.

Earnings are shown at 15.14p per 25p share and the dividend total is lifted from 5.2014p to the maximum permitted £5.80004p net with a final of 5.2014p. A supplementary dividend of 0.03547p is also proposed for 1978 following the reduction of ACT.

Mr. G. W. Wilks, the chairman, says that 1977 was another good year but during the second half Booth, and the industry as a whole, were faced with erosion of sheepskin margins and the import of cheap leather, shoes and clothing.

With the problems of the second half continuing the group has made a poor start to 1978 and as yet there are few signs of any major improvement. However, with the wide range of its business the directors feel well placed to take advantage of the downturn when it arises, particularly as 1977 has been a year when the group has paid a great deal of attention to improving its technical performance.

GOODE DURRANT

IT WAS reported in later editions yesterday that shareholder funds of Goode Durrant and Murray stood at £1.5m. In fact this should have been 28.8m.

NET ADVERTISING revenue of the last accounts cash and deposits were shown at £226,000. The three aircraft already bought from £20,000. The question is when this operation can justify the investment.

The Board hopes to give more information at the year end but early trading is showing a good return. Meanwhile the television contracting business remains strong. Advertising revenue continues buoyant and revenue should easily top £7m. implying trading profits close to 12m.

The interim dividend is lifted from 0.55p to 0.6p net per 10p share—last year's final was 1.1p per net profit of £300,141.

The chairman adds that Air Westward is a diversification that he has every reason to suppose will strengthen the company on the financial side, and over the next few years make a substantial contribution to profits, which will not be subject to the levy.

Substantial increases, he says,

have been made in the company's production budget, and nearly £1m. has been added to the company's expenditure programme so far this year.

• comment

Westward's advertising revenue is riding on the crest of a wave. Revenue is up by 43 per cent. in the six months to end January compared with industry figures showing a 32 per cent. increase. So the earlier forecast of approaching 17m. for the year, implying an increase of 25 per cent. is already looking out of date.

Trading profits are up 51 per cent. but after the Exchequer levy the gain is whittled down to under 14 per cent. Hence the programme of diversification into non-levy profits. However the airline business demands a fair lump of capital investment. In

the last accounts cash and

deposits were shown at £226,000.

The three aircraft already bought from £20,000. The question is when this operation can justify the investment.

The Board hopes to give more

information at the year end but

early trading is showing a good

return. Meanwhile the television

contracting business remains

strong. Advertising revenue con-

tinues buoyant and revenue

should easily top £7m. implying

trading profits close to 12m.

The interim dividend is lifted

from 0.55p to 0.6p net per 10p

share—last year's final was 1.1p

per net profit of £300,141.

The chairman adds that Air

Westward is a diversification

that he has every reason to

suppose will strengthen the company

on the financial side, and over the

next few years make a substantial

contribution to profits, which will

not be subject to the levy.

Substantial increases, he says,

have been made in the company's

production budget, and nearly

£1m. has been added to the

company's expenditure pro-

gramme so far this year.

• comment

We're confident we've got the

right mix to carry on growing.

Sales to key industries and world-

wide manufacture and distribution.

Above all, an operating philosophy

that actively encourages growth.

The more we're sat on, the more we grow



Concurrently car on BTR's new train, Regal Pendulum, glass shells reduce weight.

Beneath the upholstery of British Rail's newest trains are rigid fibreglass seats from BTR. Increasing use of fibreglass is one of the reasons for our growth in recent years.

BTR's fibreglass products and components are supplied to customers round the world who need a tough, light material for a wide variety of uses.

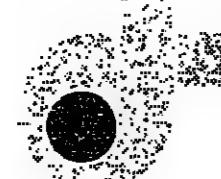
We supply thousands of other products to the engineering, transportation, energy and mining

industries worldwide. Vital components for cars, trains and planes. Hoses of all types. Heavy-duty conveyor belting. Oil platform steel-work assemblies. Rubber, plastic and engineering components.

We're confident we've got the right mix to carry on growing. Sales to key industries and worldwide manufacture and distribution. Above all, an operating philosophy that actively encourages growth.

BTR stands for growth

BTR Limited, Silvertown House, Vincent Square, London SW1P 2PL



DIVIDENDS ANNOUNCED

Current payment	Corresponding payment	Total for year	Total last year
£3.82	£3.45	£3.81	£11.23
10	7.87	7.87	7.87
Booth Intl.	3.91	3.77	3.77
British Northrop	6	nil	nil
Cedar Investment Int.	1	nil	nil
Central & Sheerwood	1.23	1.11	2.31
CPA Construc.	nil	0.63	1.13
Investors Capital Int.	0.7	1.25	3.94
Lesney Products	1.83	1.66	1.83
Mallinson-Denny	1.54	1.73	2.5
P.S.L.T.	1.9	1.22	1.04
Richards	0.25	0.59*	2.14
Utd Scientific	3pt	—	1.85
Westward TV	0.6	1.25	1.93
Wire & Plastic	1.34	1.24	2.14

Dividends shown per share for script issue. *On capital increased by rights and/or acquisition issues. £ includes a 0.05119p supplementary payment for 1976.

Dividends shown per share except where otherwise stated. £ equivalent after allowing for scrip issue. **On capital increased by rights and/or acquisition issues. £ additional 0.05317p for 1976.

Dividends shown per share for script issue. *On capital increased by rights and/or acquisition issues. £ additional 0.05317p for 1976.

Dividends shown per share for script issue. *On capital increased by rights and/or acquisition issues. £ additional 0.05317p for 1976.

Dividends shown per share for script issue. *On capital increased by rights and/or acquisition issues. £ additional 0.05317p for 1976.

Dividends shown per share for script issue. *On capital increased by rights and/or acquisition issues. £ additional 0.05317p for 1976.

Central & Sheerwood £1.37m. expansion

PRE-TAX profits of Central and Sheerwood rose from £3.4m. to a record £4.71m. for 1977 after a fall of £0.1m., against £4.6m. at half-time. The directors then said that the level of group trading indicated that second-half profits would exceed those of the first. They now say that the present level of activity in the subsidiaries indicates that the continuous and considerable growth in group profits should be sustained through 1978.

Earnings per 50 share before extra-ordinary items are shown as 63.2p (4.62p) and the dividend is stepped up to 2.33391p (2.1075p) with a final of 1.22891p net.

Pre-tax profits and turnover, £63.82m. (£53.05m.), include Photopia International for its accounting period of eight months to end 1977, amounting to £6.05m. and 20.6m. respectively, and exclude the results of subsidiaries disposed of during the year.

The directors state that Newton Chambers Engineering again increased profits substantially and Ransomes and Rapier, despite the continuing depression of the construction industry had another very successful year, exporting, both directly and indirectly, over 85 per cent. of lucasite.

Spare capacity still exists in both companies they say, and there are interesting prospects including the potential arising from technological innovations in Newton Chambers Engineering and the recovery of Ransomes and Rapier in the field of walking draglines. The first of the 200 draglines to be delivered in 1978 to the U.S. is at present being erected in Pennsylvania and should be in operation in June. No profit arising from walking draglines is included in the 1977 figures, they add.

The Holcombe Group, which now includes in addition to the

Dunn aluminium casting companies the merged Triancio and Fire heating appliance business and Dawson MMP, achieved further significant increase in profits.

Prospects for 1978 in all of Holcombe's activities are excellent, directors state.

The profit performance of the group's latest acquisition, Photopia International, lived up to expectations at the time of offer, they report, and should make a valuable contribution to group results in the future.

The financial services division increased profits significantly in the somewhat improved financial climate and the printing and publishing companies performed satisfactorily.

comment

Even without the benefit of profits from substantial reorganisations (still to come), Central and Sheerwood has managed to push pre-tax profits more than two-fifths higher. Over 40 per cent. of the latest overall improvement has been provided by the crawler crane company Ransomes and Rapier which turned out around 25m. in taxable profits, thanks mainly to new contracts, which now account for 55 per cent. of sales. Improvement was also seen in the Holcombe Group which is now benefiting from reorganisation and at Newton Chambers, which pushed its contribution up from £300,000 to

around £500,000. While there was a first time contribution from Photopia (eight months) this would almost have been balanced by the group disposal of its 80 per cent. Stockfis stake during the year. The balance sheet has been strengthened by disposals and reorganisation and net short-term debt is down from £3.12m. to £2.71m. The drilling contracts should be showing through in the second half, but it is hardly surprising that the group is looking forward to an overall improvement at least as good as last year. At 50p a share yield 7 per cent. and stand on a p/e of 8.

Mercantile Credit Credit upsurge

Mercantile Credit Company, a member of the Barclays Group, reports record group operating profits for the six months ended March 31, 1978, of £13.9m., compared with £4.4m. for the first half and £15.9m. for all of 1976-77.

The profit has been further increased by a credit made in 1976 and in 1978 against the property portfolio. In September 1977, a credit of £2.2m. was made from the provisions.

Profit before tax for the six months is £5.7m., compared with £2.4m. for the previous first half and £8.1m. for all of 1976-77.

Results have been assisted by a higher level of business combined with much lower costs than in the previous year. The current cycle in interest rates is beginning to move into a less favourable trend, say the directors.

TURNOVER for the 52 weeks to

May 10, 1978, of Lesney Pro-

ducts and Co., the "Matchbox" toy group, rose by 12 per cent. to £62.4m. but with a currency gain of only 5.2m. compared with 22.9m. last time, pre-tax profits fell from £10.47m. to £8.02m. Ignoring currency gains profits are 5 per cent. higher.

At mid-way profits stood at 2.47m. against £2.09m. including 5.47m. (£1.16m.) of currency gains.

After the ED18 basis, of £4.31m. (£4.22m.) full year earnings are shown at 14.07p (13.72p).

Per 50 share and the dividend total is lifted from 2.6p to the maximum permitted 2.903p net with a final of 1.838p.

BOARD MEETINGS

The following companies have fixed

dates of Board meetings in the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official notices are given in the relevant dividends. Concerned are interior or annual and the sub-divisions shown below are based mainly on last

TO-DAY

Impress-Alloyd and Smither, Pretoria

Potlaad Cement, Tiverton, Wellon,

George Whitehead, Welling,

Wellon,

FPA passes on final

Turnover for 1977 of FPA made towards the sale of Construction dropped from £21.8m. to £21.5m. and profits before tax fell from £615,000 to £210,000 after £197,000, against £210,000 for the first half.

With net takings £119,000, full year earnings are approximately given an 1.92p, 2.55p and 2.88p appropriate value to this share and there is no final dividend for 1977 accounts at an amount equal to 50% of the realised sale price. The net to compare with last year's total of 1.125p. The directors consider that the group's resources should be conserved for current trading.

Members are told that future prospects are very much dependent on the return of a healthy climate to the building industry. The ability to respond quickly and strongly when this happens is enhanced by the disposal of properties which have been taken in exchange for debts or loans.

Reductions in borrowings of £1.3m. have been achieved during 1977. Because of high interest rates, it cannot have helped towards costs in recent years which have been written off as they have been incurred, profitability has depended greatly on the incidence of disposals of property developments. At the time of the interim statement in September, 1977, the issued share capital of FPA substantial progress had been

reduced from £11.000 which would normally have been credited in 1978. In pursuance of the commitment to dramatically reduce involvement in property development, the directors have made provisions in respect of two sites which no longer justify further investment and of which early

achievements in recent years in the number of property disposals

curtailing loan-making operations, properties being completed, contributed to modest profits. But more significantly, have helped towards achieving a further reduction in FPA Developments, a wholly owned subsidiary, has acquired a nominal consideration of disposals of property developments. At the time of the interim statement in September, 1977, the issued share capital of FPA

Devere

Devere formerly an associate.

Completion of all but two sales from which date the agreement is engaged in property development, the bulk of its working capital being already provided in the form of secured loans from FPA Developments amounting to £1.3m. At end 1977 there was a deficiency of assets attributable to the shares being acquired of £332,000 and losses before tax to that date were £1.560. The directors of FPA Construction say in the results for 1977 a profit of £1.25m. The directors forecast the group's property development activities and be a source of future profits.

ARMSTRONG EQUIPMENT

Armstrong Equipment has increased its involvement in the automotive replacement parts market by the acquisition of Gandy Frictions. This now means that Armstrong will manufacture and sell a range of brake shoes and linings, disc pads and clutch linings.

It is not proposed to make any major policy changes to the role originally adopted by Gandy in the market place.

Richard Costain ahead by 55% to £36.2m.

Substantial agreement of terms has been reached by end 1977 from which date the agreement is engaged in property development, the bulk of its working capital being already provided in the form of secured loans from FPA Developments amounting to £1.3m. At end 1977 there was a deficiency of assets attributable to the shares being acquired of £332,000 and losses before tax to that date were £1.560. The directors of FPA Construction say in the results for 1977 a profit of £1.25m. The directors forecast the group's property development activities and be a source of future profits.

The directors intend to recommend a scrip issue of one new share for every two held on May 31, 1978. The new shares would rank for the proposed dividend but the proposed rates would be adjusted accordingly.

Orders in hand at end-March, 1978, were in excess of £700m. of which around three-quarters related to international operations.

The directors expect both turnover and profit for 1978 to make a further advance.

Mappin & Webb up to £3.7m.

ALTHOUGH SECOND half profits increased from £1.2m. to £1.5m.

the 26.5m. first half advance at Mappin & Webb, retail jeweller and silversmith, allowed pre-tax profit for the January 31, 1978, year to rise from £3.4m. to £3.67m.

Turnover for the year climbed from £21.1m. to £27.8m. After tax of £1.97m. (£1.7m.) net profit was virtually unchanged at £1.7m.

The result came after interest of £0.32m. (£0.29m.).

The company is a subsidiary of Sears Holdings.

Shipbuilding Compensation

BETTERING a forecast 20 per cent increase, taxable profit of

Barr & Waller Arnold Trust for 1977 advanced from £1.1m. to £1.6m.

At midway when the directors made their projection the rise was from £60,000 to £92,000. Full year earnings are shown to have risen from £2.18m. to £2.89m. and the final dividend is 3.7165p net. This with a supplementary payment of 0.05116p makes a total 3.76765p (3.3275p).

The company's interests lie in four operations, car sales and a computer bureau.

P. C. Henderson re-establishes margins in second half

A drive to re-establish margins has successfully turned an exceptional first half into a satisfactory outcome for the 53 weeks to March 4, 1978, says Mr. Pat Gaynor, chairman of P. C. Henderson Group, as he reports pre-tax profits of £1.31m. compared with £1.38m. At halfway a decline from £330,000 to £432,000 was announced.

The improvement is principally attributable to higher volume in the U.K. domestic market and to a temporary respite from the high rate of material cost increases which has been a feature of recent years, he explains.

The directors have devoted a lot of attention to a review of operations. As a result, they have taken a number of decisions. Alone of the overseas companies, the industrial door subsidiary in France has performed poorly. It has not shown the expected move towards profitability and therefore the directors are currently reducing its scope and ambitions.

In addition, they have rationalised the door closer product range and have discontinued the existing design of industrial rolling shutter doors in favour of the products made by Shutter Contractors of Enfield, an established manufacturer recently acquired.

Stated earnings per 10p share are 16.3p (10.3p) and the final

Overseas currencies converted at average rates for the year. Reconversion of first-half profits at rates used for the period would have reduced the figure, as would the use of 1977 rates to convert 1977 currency profits. Realised gains on foreign exchange and provision for unrealised losses on currency balances outstanding at year end. Profits prior year charge reduced from £61.4m. following adoption of provisions of EDDA and £1.2m. charge against future reorganisation costs and losses of Henderson France S.A. & Credit.

These decisions, which Mr. Gaynor is confident will bring substantial benefits to future group profits, have necessitated special charges which are shown as extraordinary and exceptional items in the accounts. These provisions are expected to cover all anticipated costs and losses which will arise from the action taken.

Stated earnings per 10p share are 16.3p (10.3p) and the final

Overseas currencies converted at average rates for the year. Reconversion of first-half profits at rates used for the period would have reduced the figure, as would the use of 1977 rates to convert 1977 currency profits. Realised gains on foreign exchange and provision for unrealised losses on currency balances outstanding at year end. Profits prior year charge reduced from £61.4m. following adoption of provisions of EDDA and £1.2m. charge against future reorganisation costs and losses of Henderson France S.A. & Credit.

These decisions, which Mr. Gaynor is confident will bring substantial benefits to future group profits, have necessitated special charges which are shown as extraordinary and exceptional items in the accounts. These provisions are expected to cover all anticipated costs and losses which will arise from the action taken.

In addition, they have rationalised the door closer product range and have discontinued the existing design of industrial rolling shutter doors in favour of the products made by Shutter Contractors of Enfield, an established manufacturer recently acquired.

The group is gradually increasing its programme of industrial and commercial developments and several schemes which were held in abeyance have now started, he adds.

The contract reported at the year-end to sell a recently completed industrial and office development has now been completed but proceeds were not received until 1978 and the borrowings shown in the accounts do not reflect this transaction. At end-1977, net borrowing power reduced from £569,000 to £532,000.

Although income from this development will be lost, no significant reduction is expected in rental income in 1978 and the group will benefit from a saving in interest on the amount of the proceeds, Mr. Palmer says.

The residential land bank has been written down by a small amount because physical conditions have reduced the number of houses which can be built on one estate. But a further £540,000 has been provided against the bank's value to reflect the diff-

erent valuation of the property portfolio from an adjusted £18m.

to a total current open market value of about £22.5m.

Underlines the quality of the investment, Mr. Palmer adds.

The target remains to have a third of construction turnover overseas and the directors are continuing their efforts towards this end.

Of the company's shares, 47

per cent are held by the directors and their families and 38 per cent by institutions, banks and nominee companies.

Meeting, Sidcup, Kent, June 13 at 2.30 p.m.

Hestair warns on first half

A SHORTFALL in first half profits to achieve local assembly. This is likely at Hestair this year, Mr. David Hargreaves, the chairman, and it has already made good progress in its direct distribution operation on the east coast.

He says that while in 1978-79 the weakness in the markets served by the engineering division is likely to persist, the employment bureaux and consumer products division are set to do well.

These divisions earn most of their profits in the second half, and so any group progress is expected to be concentrated in the second half, the chairman says.

Because of the flatness of international trade and the recession in the U.K. it is necessary to be cautious in assessing the coming year, he says.

In the special vehicles division, its new double deck bus has been successfully launched with over 150 orders. Several other products, including a refuse collection truck, should come to fruition this year.

While the year may not be an easy one for the division with home market demand low and export orders harder to get, the directors believe the sales organisation is equipped to win a good share of the business available.

On the farm equipment side the short term outlook is not buoyant, with farmers taking a cautious view on new capital equipment.

Potato prices are weak as are orders for potato planters and harvesters. But sales of seed planters, coke wheels and hoes are beginning to recover.

There is much to be done to make this enlarged division a profitable concern, especially supplies, but the foundations have been laid and a product development programme is underway, says Mr. Hargreaves.

In the U.S. the Stanhay Inc. subsidiary is considering how best

Meeting, Hyde Park Hotel, SW1, June 1 at noon.

BANK OF SCOTLAND

ANNUAL GENERAL MEETING

The 282nd Annual General Meeting of the Proprietors of the BANK OF SCOTLAND was held yesterday in the Head Office of the Bank in Edinburgh. The Right Hon. Lord Clydesmuir, Governor of the Bank, presided.

The Governor referred to the statement, which was issued to the Proprietors along with the Report and Accounts, and added:

"A year ago I said that if the downward trend of interest rates were to continue, banking profits would be markedly affected. I derive no pleasure, I can assure you, from the fact that this did happen. During the financial year to 28 February last there were no less than 14 reductions in minimum lending rate and seven consequential reductions in our own base rate. The latter was 11½% at the beginning of the year and 6½% at the end. In the face of such a massive drop, it is surprising that our earnings held up as well as they did. The increase of 1% in minimum lending rate announced by the Chancellor in his Budget speech has, however, now triggered an upward movement in short term rates generally. The further rise of 1½% announced only four days ago can be expected to accentuate that trend."

I prepared my statement before the Budget and confined myself to saying that any concessions in the tax field would require to be very finely tuned. Although there may be disagreement about the way in which these concessions have been allocated my reaction is one of relief that they do not represent a threat to continued control of the money supply. My criticism of Mr. Healey's package is that his proposals do not go far enough to lessen the impact of the higher rates of tax and restore incentive to those groups on whom so much of Britain's recovery must depend—entrepreneurs, senior management and the proprietors of family companies.

In other areas, the Budget should alleviate a number of problems. I am thinking of the help which changes in taxation should bring to farmers and small firms. These form very important parts of the Group's business and we would hope that the Chancellor's encouragement to these two sectors will bring about a progressive improvement in their performance in the future.

We in the Bank of Scotland are, of course, acutely concerned with the Scottish economy. Notwithstanding that we look for continuing growth in the profit of our subsidiaries and of our international operations, we are fully aware that the basis of the Group's prosperity still remains our domestic banking business. We draw our strength from the countless deposits that are gathered by our branch network and the multifarious advances, large and small, in which these deposits are deployed throughout the country. There is overwhelming evidence that we and our fellow Scottish clearing banks are still the mainstay of all commercial, industrial and agricultural activity in Scotland. That is, of course, a heavy responsibility but, without being complacent, I believe that we have carried it well and have kept faith with the nation. Certainly, within the Bank of Scotland, we are alive to the fact that our prosperity is affected by the fortunes of the Scottish economy so that, even taking a very self-interested view, whatever we can do to foster growth and the development of new enterprises is bound to operate in the longer term to our own advantage. From quite selfish reasons alone, therefore—though we have many more creditable ones—we are eager to support private enterprise of any kind in Scotland and we need no exhortation to encourage us to do so. Indeed, I doubt if there has ever been a time when the Scottish banking community were more aware than they are to-day of the vital part they must play in the creation of healthy economy.

Although, if one looks around, there are plenty of causes for gloom, yet it would be quite wrong not to see also the more hopeful side of things.

In the Bank, we have shared in a number of success stories in this past year and have seen our money put to work in the creation of new jobs and new products. I have no reason to think that the success stories of the next twelve months will be any fewer in number and I sincerely hope that we shall in fact see more."

Lord Inchry proposed the adoption of the audited accounts for the year ended 28th February 1978 and the Directors' report. The motion was carried.

The Governor moved that a final dividend on the capital stock of the Bank be declared at the rate of 5.449p per £1 of stock and that it be paid on 22nd May 1978 to Proprietors on the register at close of business on 28th April 1978.

The motion was carried.

The Right Hon. Lord Clydesmuir, K.T., C.B., M.B.E., T.D., LL.D., D.Sc., The Right Hon. Lord Balfour of Burleigh, C.Eng., F.I.E.E., and Mr. T. N. Risk, B.L., were unanimously elected Governor and Deputy Governors all for the current year.

Mr. J. A. Lumsden, M.B.E., T.D., D.L., The Right Hon. Lord Polwarth, T.D., D.L., D.Litt., D.Univ., C.A., Mr. M. F. Strachan, M.B.E., M.A., and Mr. C. F. J. Younger, D.S.O., T.D., who retired by rotation, were re-elected as Directors. In the course of his remarks, the Governor paid tribute to Sir Alastair Blair, K.C.V.O., T.D., who retired on having attained the age of 70.

A proposal that the remuneration of members of the Board should be increased by 10% to £2,750 was duly carried.

AUDITORS
Messrs. Arthur Young McClelland Moores & Company, Chartered Accountants, Edinburgh, and Messrs. Grant-Rankin and Company, Chartered Accountants, Glasgow, were re-appointed as auditors.

VOTE OF THANKS
A vote of thanks to the Governor was proposed by Mr. Kenneth Ryden, Master of the Merchant Company of Edinburgh.

Rush and Tompkins expects rise

THE INCREASED emphasis placed by Rush and Tompkins Group, upon its construction and development projects in the past year or so should be reflected in rising profits in the future, Mr. D. Palmer, chairman, says in his annual statement.

Both projects take time to produce the results which should reflect the rise in the value of the group's assets from less than £150m. when the property market collapsed four years ago to 234p now.

The group is gradually increasing its programme of industrial and commercial developments and several schemes which were held in abeyance have now started, he adds.

The contract reported at the year-end to sell a recently completed industrial and office development has now been completed but proceeds were not received until 1978 and the borrowings shown in the accounts do not reflect this transaction. At end-1977, net borrowing power reduced from £569,000 to £532,000.

Although income from this development will be lost, no significant reduction is expected in rental income in 1978 and the group will benefit from a saving in interest on the amount of the proceeds, Mr. Palmer says.

The residential land bank has been written down by a small amount because physical conditions have reduced the number of houses which can be built on one estate. But a further £540,000 has been provided against the bank's value to reflect the diff-

erent valuation of the property portfolio from an adjusted £18m.

to a total current open market value of about £22.5m.

Underlines the quality of the investment, Mr. Palmer adds.

The target remains to have a third of construction turnover overseas and the directors are continuing their efforts towards this end.

Of the company's shares, 47

per cent are held by the directors and their families and 38 per cent by institutions, banks and nominee companies.

Meeting, Sidcup, Kent, June 13 at 2.30 p.m.

Williams & Glyn's

Interest Rate Changes

Williams & Glyn's Bank announces that with effect from 10th May 19

Demand down at Aberthaw

ALTHOUGH IT WAS anticipated that home trade deliveries of cement in 1978 would be about the same as in the previous year, the first quarter has revealed deliveries below the same period of 1977.

This reflects the adverse weather conditions in February, says Sir Maynard Jenour, the chairman of Aberthaw and Bristol Channel Portland Cement Company. He says that although it will not be easy, it is hoped the company will make up this shortfall in the remainder of the year.

Overall it is expected profits for 1978 will be below last year's peak £1.86m. pre-tax figure.

Sir Maynard points out that the price of natural gas has been substantially increased and is considerably above the equivalent price of coal. He says it is not known if any further cement price increases will be allowed this year, and adds that any increase would be unlikely to be sufficient to offset the much higher production cost.

Aberthaw is currently negotiating to convert to coal, and the cost of conversion will be met from internal sources and medium term bank loans.

In respect of the group as a whole, he says that the group will benefit from lower profits in 1979 providing the negotiations to convert to coal prove successful.

The chairman says that further

quantities of cement clinker have been exported in the current year, but adds that competition remains severe and it is uncertain whether any further contracts will be obtained before the same period of 1977.

Work continues on new project development but he says it is still too early to forecast whether a product can be made which will be commercially viable.

A current cost statement with accounts shows the 1977 pre-tax profit reduced to £1.33m. (£1.4m.) by a £0.25m. (£0.45m.) cost of sales adjustment, and additional depreciation of £0.65m. (£0.55m.) offset by a £0.5m. (£0.7m.) gearing adjustment.

Meeting, Cardiff, June 2 at 12.30 p.m.

WIGHAM POLAND

The Wigham Poland Group has changed the name of two of its subsidiaries in the life and pensions division, better to reflect the changed nature of their operations.

Wigham Poland Pensions Brothers becomes Wigham Poland Pension Consultants, and Wigham Poland Financial Services is now Wigham Poland Assurance Consultants.

A new company has also been formed within the division, Wigham Poland Trustees, which offers full corporate trustee facilities for all pension arrangements.

The chairman says that further

Medical Sickness Annuity

The Medical Sickness Annuity and Life Assurance Society last year increased its holding of gilt premium income by 46 per cent over 1976. This company has now started to pay dividends to the Society, an amount of £20,000 gross—a dividend of 16 per cent—being paid for 1977.

The other subsidiary, Medical Sickness Finance Corporation, continued to help doctors and dental practitioners finance their equipment, not only of cars and equipment, but also other items such as caravans and boats. During 1977 a total amount of £1.75m. was advanced under 1,063 agreements, with 83 per cent of the sums advanced being covered under the life assurance scheme arranged by the Society. The Corporation continues to be a profitable party.

The accounts for 1977 of the Society show that premium income increased by 15 per cent to £20m. and investment income by 17 per cent to £2.7m. Claims, expenses and taxation totalled £5.5m.—£0.5m. higher than in 1976—so that the long term fund at the end of the year stood at £87.3m. against £84m. at the beginning.

Dr. Hunt reports that the subsidiary, Permanent Insurance, had

Bank of Ireland at £43m. —finance house deal

Bank of Ireland yesterday announced the purchase of British Credit Trust, a finance house, from Northern Foods for £1.5m.

On Monday Northern Foods for the fall in value of money announced the agreed takeover of Pork Farms, the meat products company, which could involve a loss of £2m. (£1.2m.) to capital and reserves.

Northern Foods, said yesterday

the amount required to allow the proceeds from the BCT sale would keep his company liquid enough to invest freely where opportunities arose.

The consideration for the sale consists of £2,410,553 capital stock of Bank of Ireland, which is to be placed in the UK and Ireland.

Additionally, Northern Foods

offered an £800,000 interim dividend.

The bank's earnings for 1977 are shown at 74.2p (£7.8p) basic per £1 of stock and 67.8p (£7.7p) fully diluted. The final dividend is 10p net for a 15p total compared with an adjusted 11.25p for 1976. To reduce disparity with the final interim for 1976-77 will be 6.5p.

Operating profit 1977-78 1976-77
Bank 42,852 28,582
Subsidiaries 7,086 5,376
Administrative 4,262 3,473
Pre-tax before Tax 17,825 12,908
Profit after Tax 12,908 10,580
To shareholders 306 288
Attributable Dividends 18,882 13,360
Reserves 26,154 26,154

DESPITE A second half downturn

in turnover from £1.81m. to £1.55m. British Northrop held on to the greater part of its £209,000 mid-term profit gain and finished 1977 with a taxable figure some £155,000 ahead at £500,807. The company is re-entering the dividend list with a payment of 6p.

At mid-year when reporting a profit of £57.8m. (£164,000) the directors said that the group had a healthy order book and they were confident that profits for the year would exceed those for 1976.

They now say that world-wide economic conditions have made trading difficult, particularly over the second half, and while this situation has continued into the first quarter of 1978, the company's operations are nevertheless being maintained at profitable

The balance sheet shows fixed assets at £73.81m. (£58.91m.), liquid assets and investments at £942m. (£744m.), advances less provisions of £1.07m. (£0.98m.), and deposits current and other accounts of £1.95bn. (£1.30bn.).

Inflation adjusted accounts give

pre-tax profits of £83.36m.

To shareholders 306 288

Attributable Dividends 18,882 13,360

Reserves 26,154 26,154

Stated earnings per 50p share

were 26.6p (17.7p). Turnover for the year totalled £5.46m. (£2.38m.) and profit after interest of £178.154 (£144,566) but before tax on property income of £27.853 (£27,377). Comparative figures have been restated.

Fairbairn Lawson Group

ENGINEERING, PACKAGING AND OFFICE FURNITURE

Record profit—up 25% to £1.34m

	Year to 31.12.77	Year to 30.12.76	% Increase
Turnover	£'000	£'000	
Pre-tax Profit	13,389	12,740	+ 5%
Taxation	1,342	1,075	+ 25%
Attributable profit	205	165	+ 25%
Dividends—Ordinary shares	1,133	909	+ 25%
	3.65p	2.03p	+ 80%

1976 figures restated to reflect capitalisation issue and change of accounting policy in respect of deferred taxation.

Points by Sir John Lawson, Chairman:

* Main 1977 objectives—to increase profitability, broaden capital base and improve dividend—accomplished.

* Search continues for appropriate acquisition opportunities.

* Company well placed to make further progress and reiterates forecast of 5p net dividends this year.

* Realistic growth targets set for turnover and profits.



Copies of the Report and Accounts available from the Secretary, Fairbairn Lawson Limited, P.O. Box 32, Wellington House, Leeds LS1 1JL

Announcement of 1977 Dividend

The Shareholders of the Bank of Credit and Commerce International S.A. at their extraordinary meeting held in Luxembourg on Monday, 17th April, 1978 declared a cash Dividend of 10% for the year 1977, payable out of retained earnings for the year, to all Shareholders registered with the Bank as on 23rd December, 1977.

BANK OF CREDIT AND COMMERCE INTERNATIONAL SA,
HEAD OFFICE: 39 Boulevard Royal, Luxembourg

LTV International, N.V.

5% Guaranteed (Subordinated) Debentures Due 1988
(Guaranteed on a Subordinated Basis by and Convertible on and after February 1, 1969 into Common Stock of The LTV Corporation.)

Notice of Adjustment of Conversion Price

NOTICE IS HEREBY GIVEN that the price for conversion of the above-mentioned Debentures into Common Stock of The LTV Corporation was adjusted as of February 18, 1978 from \$66.32 to \$54.40 per share of Common Stock.

THE LTV CORPORATION

May 10, 1978

Lyon & Lyon

Highlights from the Review of the Chairman
Mr. Michael Lyon

- * Pre-tax profit for 1977 £635,526 on sales of £6,174,699, another record year.
- * Final dividend of 3.5p, making a total of 6.0p (2.26p).
- * Earnings per share 12.90p (12.47p).
- * The programme to develop the vehicle distribution, road transport, shipbuilding, and ship repairing components of the Group continues.
- * Acquisition of a compatible business within the context of the present size and nature of the Group is under constant examination.

Copies of the Report and Accounts are available from the Secretary.

Lyon & Lyon Limited
Harker House, Knottingley, West Yorkshire, WF11 8DD

FORD MAIN DEALERS - VEHICLE REPAIR SPECIALISTS - ROAD HAULAGE CONTRACTORS - TANK CRAFT OPERATORS - SHIPBUILDERS AND REPAIRERS

In corporate finance: there's nothing more personal than the decisions you make

The ultimate decision in any organisation must rest on you and your colleagues, as people. At Bankers Trust in London we have one man to help you. Plus 700 more to back him up. The Pyramid is the symbol of Bankers Trust Company, one of the world's largest banks, with a solid tradition in the world of corporate finance.

We have a high proportion of skilled personnel working on direct client contact.

This means we can afford to devote a great deal of time and trouble to studying the needs of those corporations with which we work. And we work with a great many of the companies in The Times 1000. This close co-operation would not have been possible without the knowledge we have acquired in over 50 years of continuous operation in this country.

We have the intuition, ability and flair needed to suggest ways to handle business matters that straddle

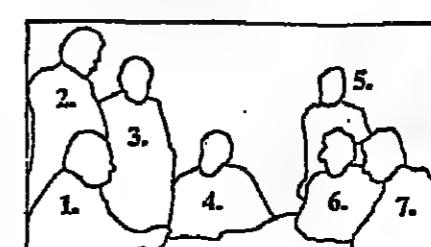
the globe. We cut across international boundaries because we are part of a worldwide network. We are active 24 hours a day. We have one of the most active and professional foreign exchange operations anywhere and a Foreign Exchange Customer Advisory Group which is always available to help you with your decisions.

We give you the edge, the manoeuvrability you need, whether it be in connection with short and medium term finance, ECGD backed and other export financing, documentary credits, commodity deals, international insurance, corporate trust, pension fund management, loan syndication, or project finance. We act fast.

Indeed, wherever you encounter the Bankers Trust Pyramid, you're dealing with a full service bank in the fullest sense of the word, with the capacity to raise, lend and manage money anywhere in the world.

1. Ian Donaldson, V.P. in charge of Commodities Group.
2. Esme Howard, V.P. in charge of International Insurance Group.
3. Gordon Thomas, V.P. in charge of Financial Service Group.
4. Peter Denbow, V.P. in charge of United Kingdom Lending.

5. Alan J. Kerr, V.P. in charge of London and South of England Group.
6. Stuart E. Reider, V.P. in charge of International Group.
7. Donald R. Carse, V.P. in charge of Energy Group.



Bankers Trust Company

9 Queen Victoria Street, London EC4P 4DB
Telephone: 01-236 5030 Telex: 888191/2

Headquarters: New York. In the United Kingdom, branches in London and Birmingham and a representative office in Manchester. Other branches: Milan, Paris, Bahrain, Tokyo, Singapore, Nassau and Panama City. An International Banking Network of branches, subsidiaries, affiliates and representative offices in over 30 countries on six continents.

BIDS AND DEALS

Scottish TUC joins battle

The Scottish TUC has written to Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, urging him to refer Lonrho's takeover bid for Scottish Banks of Save and Prosper that an additional director should be appointed to the SUITS Board.

BACKING FOR TEXTILE WALLCOVERINGS

A syndicate of institutions led by Charterhouse Development Capital has paid £3.1m. for a substantial minority holding in Textile Wallcoverings International, manufacturer and wholesaler of textured wallcoverings. At the same time Textile has acquired B. Brown (Holborn), a related business with complementary activities.

Charterhouse formed its own unit and has invested £500,000. Its partners are British Life Pension Funds (Fin), Electra Investment Trust (£250,000), Industrial and Commercial Finance Corporation (£237,000) and Estate Duties Investment Trust (£100,000).

The offer closes on Friday and Mr. Hattersley is expected to announce his decision on whether the bid should be referred to the Monopolies Commission either today or tomorrow.

Meanwhile, Lonrho at the request of the Takeover Panel has revealed that its stake in SUITS has been increased to 40.04 per cent. Given that Lonrho already held 39.34 per cent of SUITS before the offer and that it has subsequently received provisional acceptances from the Fraser family trusts representing around 9 per cent, this response looks positive.

However, Lonrho is being coy about whether the 40.04 per cent figure includes the Fraser family stake. No doubt Lonrho is hoping that a number of institutional investors are holding fire until Mr. Hattersley's statement.

Mr. "Tiny" Rowland, chief executive of Lonrho, has sent a detailed April 1978.

Chippa and Pleasurama agree on £1.2m.

BY JAMES BARTHOLEMEW

Williams Hudson Group, the merchant between Pleasurama and private company run by Mr. Chipps, enabled the former to enter into a sale to Chippa in certain circumstances.

In 1978, Pleasurama went to court to make Chippa buy the 25 per cent stake for £1.18m. The action proved successful in the High Court last year, but Chippa appealed. The out-of-Court settlement was announced yesterday after the appeal hearing had already got under way.

Pleasurama will receive less than it was originally awarded. The exact sum is £1.15m. and Chippa will not pay now until interest on the payment up until the present. The £1.15m. will be paid in instalments and will bear interest from now on. The last payment will be on March 31, 1979.

Mr. Edward Thomas, managing director of Pleasurama, said yesterday that the settlement was worth 15 per cent less than the best Pleasurama could have hoped for. The proceeds will be used in developing the company's existing business.

Williams Hudson Group has a policy of not making any comment to the Press.

Kellock moving to regain full quote

Kellock Holdings will move a loan stock. It is bidding 38 Kellock shares plus 4 convertible redeemable subordinated variable rate unsecured loan notes plus £1.58 cash for 200,000 ordinary shares of either class.

There is an alternative offer for the Ordinary shares which includes the issue of redeemable cumulative preference shares.

CATERING DEALS IN AMERICA

Further details were revealed involving two separate deals involving British companies which are still looking to take over catering and hotel interests in the United States.

Trust Houses Forte has now agreed terms for its £4.4m. cash bid for the Colony Foods restaurant chain. Meanwhile Heywood Williams, the glass and aluminium supplier, has sent a circular to its shareholders outlining the terms for its proposed takeover of the hotel and restaurant business of Interstate United Corporation, the US public food group.

The circular contains an estimate that Heywood's pre-tax profits for the year ending April 30, 1978, will be in excess of £3m. reduction in working period.

Kellock is seeking an offer for takeovers of JUCO's, and Belgrave's Ordinary and a restaurant business with tangible assets of £5.1m. The only company's 5% per cent convertible consideration is that Heywood

MINING NEWS

Getty joins Phelps in molybdenum venture

BY PAUL CHEESERIGHT

GETTY OIL is entering a joint venture with Phelps Dodge to evaluate and possibly to develop what appears to be a significant molybdenum deposit near Pine Grove in southern Utah.

The announcement yesterday underlines the tendency of major mining groups to link with cash-rich oil concerns in the development of natural resources projects.

The joint venture brings obvious advantages to both the US groups. Getty Oil is diversifying into a mineral which has seen a consistent rise in price and growth in demand, although more slowly in the years of international recession.

Phelps Dodge, on the other hand, with an income founded on copper, has seen profits eroded by the depreciation of the international markets and a downturn in demand. In the first quarter, net earnings were \$5.8m. (£3.08m.) compared with \$9.3m. in the 1977 first quarter.

A link between the two marries cash with technical expertise, although the returns are not likely to be seen for some time. The announcement from New York said that the agreement covered a programme which would take place over several years.

Phelps Dodge first announced molybdenum discovery in January. The first diamond drill holes intersected lengths of mineralisation between 3,000 and 5,000 feet. The holes formed a square with sides of 800 feet.

If the mineralisation is continuous, substantial quantities of ore ranging from 0.29 per cent to 0.88 per cent molybdenum, depending on the cut-off grade, are present, the company said at the time.

Since that time, Newmont Mining and Esso Minerals have disclosed what could be commercially viable molybdenum deposit in British Columbia.

The property, held 55 per cent by Newcont and 45 per cent by Esso, is at Trout Lake, about 35

miles from Revelstoke, and has been under investigation since 1976.

The deepest hole yet drilled, according to Canadian reports, has proved so far to be the richest. Mineralisation 1,800 feet below the surface occurred at an intersection averaging 0.408 per cent molybdenum over a length of 800 feet.

Other holes have apparently yielded grades which would mean the discovery of a commercial deposit.

This find, added to that of

Phelps in Utah, and that of Amax and Chemetall, subsidiary of Rio Tinto Zinc, in Chile, could provide the basis of a considerable expansion in North American molybdenum capacity which, hitherto, has been based largely on the operations of Amax and the by-products of copper mining.

Research has continued to find new applications for molybdenum and growth in demand is expected to run at between 6 and 7 per cent a year.

Roxby Downs gold find

GOLD HAS been found at the Roxby Downs copper-uranium prospect being explored by Western Mining, but details provided in the group's latest quarterly report do not suggest that, at this stage, the find can be considered of commercial significance.

Roxby Downs is in South Australia, and analysis of diamond drill hole DR 10 showed that the interval from 422 metres to 435 metres assayed 13.4 grammes gold per tonne, 3 per cent copper and 0.01 per cent silver.

This is the first occasion when significant gold values have been encountered at the Olympic Dam prospect on Roxby Downs, Western Mining stated. Drilling was suspended towards the end of the quarter to April 4, but is expected to start again in the current quarter.

Given the recent level of time prices this would suggest buoyant results for the year, but at the half-way stage there was in fact a setback. Net earnings were \$8.9m. (£1.6m.) against \$11.2m. in the same period of the 1978-77 year, because of increased tax payments and reduced capital allowances.

Other monthly output figures from WMC show:

In December Sir Arri Parbo, the Western Mining chairman, told shareholders that it was likely to be at least a year before ore reserves were compiled for Roxby Downs.

The shares in London yesterday were down 1p at 113p.

High output at Berjuntai

ALTHOUGH PRODUCTION at Berjuntai, the most prolific of the tin producers in the Malaysian Tin and Chemicals subsidiary of Rio Tinto Zinc, is already high, it could provide the basis of a considerable expansion in North American molybdenum capacity which, hitherto, has been based largely on the operations of Amax and the by-products of copper mining.

Research has continued to find new applications for molybdenum and growth in demand is expected to run at between 6 and 7 per cent a year.

Given the recent level of time prices this would suggest buoyant results for the year, but at the half-way stage there was in fact a setback. Net earnings were \$8.9m. (£1.6m.) against \$11.2m. in the same period of the 1978-77 year, because of increased tax payments and reduced capital allowances.

Other monthly output figures from WMC show:

April March Feb.

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

tonnes tonnes tonnes

tin zinc tin zinc tin zinc

1978 1977 1976

INTERNATIONAL FINANCIAL AND COMPANY NEWS

THE COB REPORT

Plans for wider share ownership

BY DAVID CURRY

THE PARIS Stock Exchange has verteble bond issues raised only ment fund. It also says it will christened 1978 the year of Frs.85bn. Around Frs.85bn. was make it easier for employees to equity. That is the main message raised in equity capital without buy shares in their own company. But it has not promised to do so could the Bourse watchdog commission Frs.49.6bn. came from convene the bourse's demand for the accounts do so already.)

On the secondary market the 50 per cent to 100 per cent—
doubling of the tax bonus from
the Commission des Operations de Bourse (COB).
It describes the government's promise to rehabilitate the situation was equally dismal measure which could cost some equities accounted for Frs.2bn. a year. Not is clear against 73 per cent in 1968 advantage enjoyed by bonds over before the creation of a market equities will be adjusted to the bonds of maturities of up to benefit of shares. After all, semi-seven years. The government is government institutions and industry concerned about the state-owned concerns are the fixed-equilibrium between the vulnerability of smaller companies—The COB urged the government and the restoration of company to press forward with other of its economic strategy. In financial due dates in years. In introduction of preference shares were legislation insisting on the for by increases in equity capital raise capital without diluting accounts, improving the contents and no less than 33.8 per cent by control. It will also allow of accounts and regulating the to deduct from their delay in presenting them to be taxable income money subscribed reintroduced in parliament, although it says that over the years companies have signifi-

The 1977 figures illustrate the COB's traditional preoccupation with the total issues reached Frs.61.3bn—a record—only 16.1 per cent of this was accounted for by increases in equity capital and no less than 33.8 per cent by control. Quoted companies raised no more than Frs.1.1bn. by appealing to the general public for new capital while con-

PARIS, May 9.

Slide in German engineer's earnings

By Adrian Dicks

BONN, May 9. MANNESMANN, the West German steel pipe, plant construction and engineering group, reports a 28.7 per cent drop in profits from DM21.6m. in 1976 to DM15.4m. (5.7m.) for 1977. After transferring DM5m. to shareholders called to extraordinary general meetings offering miraculous returns on capital.

It claims two feathers in its cap for last year: its recommendation that holders of more than 10 per cent of company capital must be named in the annual report, and its campaign to provide earlier and better information for shareholders called to extraordinary general meetings to consider changes in corporate structure.

Bouygues looks overseas for growth

By Our Own Correspondent

PARIS, May 9. THE FRENCH construction company Bouygues expects that half its sales this year, Frs.4.5bn., will be realised overseas against only a third last year. This strong overseas growth will have been achieved in the three years since the company decided that the only way to sustain its development was to look beyond the French market.

The relatively uninviting prospect of the home market is illustrated in forecasts made by Bouygues on the housing market. It sees a very rapid decline in the market for apartment buildings and a strong growth in the demand for individual houses. However, the growth in demand for houses will not compensate, in terms of activity, for the downturn in the market for collective units.

In 1974 some 340,000 lodgings were constructed in blocks of some sort or another. This year the company expects completions to be no more than 180,000 and by 1982 to be down to 90,000. Over the same years it foresees a rise in the individual house market from 220,000 to 250,000 to 280,000.

The company's and group accounts for 1977 were well up on 1976, even though only a quarter of profits were attributable to overseas work. The real benefit of this will come with the completion of a number of overseas projects in 1978. Company profits in 1977 were Frs.35.7m. (Fr.35m.), against Frs.16.83m. in 1976, after sharply increased depreciation, and group earnings came out at Frs.50.15m. against Frs.18.2m., again after much heavier depreciation.

SCANDINAVIAN NEWS

Improving outlook for Ericsson

BY JOHN WALKER

THE GENERAL market situation (\$119m.) compared with Kr.408m. for investments in public telephones networks has been a profit per share of Kr.84 compared with Kr.65 in 1976. The order backlog should improve, and is expected to do so through 1978. L.M. Ericsson said in its annual report.

The order backlog should increase by about 20 per cent this year, but the concern is not making a profit forecast at this stage as there are too many currency, cost, and price imponderables.

The order intake is expected to increase by about 20 per cent, largely due to the major contract signed with Saudi Arabia in January. The group's order backlog amounted to Kr.8.8bn. (21 per cent over the 1976 figure.

Group sales in 1977 totalled Kr.7.8bn. compared with Kr.7.3bn. in the previous year. Profit before tax amounted to Kr.582m.

STOCKHOLM, May 9.

Handelsbank

Copenhagen Handelsbank is plan-

ning to set up a wholly-owned subsidiary in Luxembourg, it was announced today, writes Hilary Barnes from Copenhagen.

During 1978, it made a pretax profit of Kr.41m. Sales in 1977 amounted to Kr.13.8bn. showing an increase of Kr.13.5bn. over the previous year.

Despite the devaluation of the Krona, Swedish costs are still higher than many competing

Hefty losses at Manufrance

PARIS, May 9.

NET LOSSES OF Frs.102.5m. (Fr.92.2m.) are reported by Manufrance for 1977. The crisis-ridden French retail, mall order and small arms group incurred a loss of Frs.32.7m. in 1976. Last October new management at Manufrance suggested that the company could possibly lose around Frs.120m. in 1977. At the time it was stated that something like Frs.200m. in aid from the State, creditors and other sources was needed in order to get the company back on to an acceptable financial footing.

Agencies

\$200m. Swiss bank loss

BY DAVID EGLI

A LOSS of around \$200m. was announced here in a spectacular and sombre reappraisal of the collapse of the Geneva bank, Leclercq and Company.

The liquidators will assess the excess of liabilities over assets at some Sw.Frs.394m.—more than ten times the level expected when the bank was closed a year ago. As a result it is not expected that creditors will receive more than 8 per cent return on their claims.

In making their report to a local court, the liquidators brought out a long record of criminal mismanagement within the bank linked to a string of financial position.

This announcement appears as a matter of record only.

10th May 1978.

U.S. \$25,000,000

Teollisuuden Voima Oy-Industrins Kraft Ab (TVO Power Company)

(Incorporated in Finland with limited liability)

8½% Guaranteed Bonds 1988



Unconditionally and irrevocably guaranteed by the
Republic of Finland

Abu Dhabi Investment Company

Kuwait Foreign Trading Contracting & Investment Co.
(S.A.K.)

B.A.I.I. (Middle East) Inc.

Kansallis-Osake-Pankki

Merrill Lynch International & Co.

National Bank of Abu Dhabi

Nomura Europe N.V.

Postipankki

Union de Banques Arabes et Françaises—U.B.A.F.

Union Bank of Finland Ltd.

Wardley Middle East Limited

ABN Finance Limited Al Ahli Bank of Kuwait (K.S.C.) American Express Middle East Development Co. S.A.L.

Arab African Bank Arab Finance Corporation S.A.L. Arab Financial Consultants Co. (S.A.K.)

The Arab and Morgan Grenfell Finance Company Limited Arab Trust Company K.S.C.

Banque Intercontinentale Arabe Burgan Bank S.A.K. Citicorp International Group—Bahrain

Daiwa Securities (HK) Limited Deutsche Bank Aktiengesellschaft European Arab Bank Limited

European Banking Company Limited Euroseas Banking Co. (Qatar) Limited First Boston (Asia) Limited

Fiji International Finance Limited Gulf Bank K.S.C. Hambros Bank Limited

IBJ International Limited Kuwait International Investment Co. s.a.k.

Kuwait Investment Co. S.A.K. Kuwait Pacific Finance Company Limited LTCB Asia Limited

Manufacturers Hanover Asia Limited Mitsubishi Bank (Europe) S.A.

National Bank of Bahrain National Commercial Bank National Bank of Kuwait

New Japan Securities International (HK) Limited Nikko Securities Company (Asia) Limited

Nippon Kangyo Kakumaru Securities Company Limited Orion Bank Limited

Riyad Bank Limited Saudi Arabian Investment Co. Inc. Sumitomo Finance International

Taiyo Kobe Finance Hong Kong Limited Trident International Finance Limited

Union de Banques Arabes et Européennes—U.B.A.E. UBAN—Arab Japanese Finance Limited

Societe Anonyme Union Bank of Switzerland (Securities) Limited Westdeutsche Landesbank Girozentrale

Yamachi International (Europe) Limited

Slide in German engineer's earnings

By Adrian Dicks

BONN, May 9. MANNESMANN, the West German steel pipe, plant construction and engineering group, reports a 28.7 per cent drop in profits from DM21.6m. in 1976 to DM15.4m. (5.7m.) for 1977. After transferring DM5m. to shareholders called to extraordinary general meetings offering miraculous returns on capital.

It claims two feathers in its cap for last year: its recommendation that holders of more than 10 per cent of company capital must be named in the annual report, and its campaign to provide earlier and better information for shareholders called to extraordinary general meetings to consider changes in corporate structure.

Currency movements hit Philips in first quarter

BY CHARLES BATCHELOR

PHILIPS, the Eindhoven-based international electrical group, reports lower first quarter profits although volume sales for the opening three months of 1978 rose in line with expectations. Sales by value were once again adversely affected by currency exchange movements.

Volume sales rose 7 per cent in the first three months, in accordance with expectations, and Philips confirmed its earlier forecast that it expects to achieve this rate of growth over the year as a whole. Sales by value rose only 3 per cent, to Fls.7.21bn. from Fls.7.1bn.

The Board will propose a DM6.00 per share dividend, compared with DM7.00 for 1976. West German domestic shareholders entitled to the tax credit will receive a total of DM5.50 per share.

Mannesmann also announced to-day that it has signed a contract worth DM60.7m. with China for the delivery of over 60,000 tonnes of pipe during the second half of this year.

A spokesman stressed that the pipe was not intended for any single specific project so far as the German company was aware. The order is to be made up of an assortment of small-diameter piping and tubing of varying sizes, qualities and specifications which the spokesman added, might be used by the Chinese in any of a wide variety of possible industrial processes.

It is understood that China is not buying any large-diameter pipe of the sort that Mannesmann is supplying to the Soviet Union from its new Muellheim works.

In its earnings and dividend report to-day, the company confirmed a 1 per cent drop in total sales during 1977 to DM1.71bn. Earlier this spring the chairman, Herr Egon Overbeck, predicted a satisfactory year, if less than spectacular, year in 1978.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

Robeco hopes to conclude talks with the troubled Pakhoed group over the purchase this month. It refused to comment directly on the size of the new fund but said it would not be disproportionate to the other funds in the group.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

Comparisons are for the company reported a 1977 net profit of Frs.7.14m., up from Frs.6.7m. in 1976, or Frs.11.57 per cent. The company's original group before last year's merger with Osvald of the U.K. reported Frs.6.7m. in 1976, or Frs.11.57 per cent. The company's original group before last year's merger with Osvald of the U.K. reported Frs.6.7m. in 1976, or Frs.11.57 per cent.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

Robeco expects to set up a for a daily evaluation of the portfolio value and for the fund's managers to repurchase shares which might require the sale of part of the portfolio.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexagon, which is heavily invested in the U.S.

ts hit
ter

MEDIUM TERM CREDITS

Debut for two African borrowers

BY FRANCIS GHILES

VAN DER HAMMEN, May 10—TWO African countries—Botswana and Mauritania—are entering the international market for the first time. The Republic of Botswana is raising \$45m. for seven years on a split spread of 2 per cent. rising to 2.2 per cent. and then to over 2 per cent. from a group of Scandinavian borrowers continuing to raise large loans: in Sweden the state-owned shipbuilding company Svenska Varv is raising \$200m. for seven years on a split spread of 1 per cent. for the first three years rising to 1.1 per cent. These terms are a little harder than those for a three-year grace period. The funds will be used by the Government to acquire a further 20 per cent. equity stake (it will then have a 30 per cent. free of consideration) in a mine being developed by De Beers. Other terms include a spread of 1.1 per cent. for the first three years on a spread of 1 per cent. with a two-year grace period. The borrowing is being arranged in Holland, Banque Arabe Libyenne Mauritanie, which is also arranging a loan for the State of Mauritania, also raising \$15m. for six years on a spread of 1.1 per cent. with a two-year grace period. The borrowing is being arranged in the US. The State of Mauritania has a 49 per cent. stake, the other 51 per cent. belonging to the Libyan Foreign Bank (LAFB). The State of Mauritania is guaranteeing 49 per cent. of the loan, and the LAFB 51 per cent. The Libyan presence which is also arranging a

spread obtained by the borrower, half-way between Rio Metro. The interest paid recently been signed for the market and the 2 per cent. which by the Rio Metro is 7.5 per cent. Luxembourg subsidiary of SETI, Compagnie Financiere de la Italian state telephone company Lead manager: London Deutsche Bank will provide DM90m. of this figure and Continental Bankers Hypotheken in South East Asia, borrowing continues apace: the \$350m. club loan for the Philippines has increased for the second time. In its first stage it was increased to \$400m., and now it has been increased to \$500m. It is not ruled out that the \$300m. for the Korea Exchange Bank and the Korea Development Bank should be increased.

Legal difficulties delayed until last week the signing of the loan for the Philippines has increased for the second time. In its first stage it was increased to \$400m., and now it has been increased to \$500m. It is not ruled out that the \$300m. for the Korea Exchange Bank and the Korea Development Bank should be increased.

Another active borrower in the area is Indonesia. It is in the process of organising a \$25m. seven-year loan with Wells Fargo Credit, arranging a \$175m. eight-year loan, with an option to extend this maturity to ten years. The borrower is being provided with a state guarantee paying a spread of 1 per cent. for five years, which would rise to 1.1 per cent. If the option is taken up, the spread will be 1.1 per cent. Joint lead managers are Citicorp and Westdeutsche Landesbank. A \$20m. five-year loan carrying a spread of 1.1 per cent. on the commercial tranche of the credit.

Property group passes dividend.

HONG KONG, May 9.

SOUTHERN PACIFIC Properties has reported a net profit for the year ended March 31, 1977 of \$10.18m. (some \$US, 400,000). In 1976, net profit of the total before the inclusion of SHK12.3m. of extraordinary items, was \$10.12m. (\$US12.4m.). The dividend is again not paid.

Turnover was \$10.24m. for the new fiscal year, compared with \$10.18m. Net earnings a share before dividends amounted to 12 cents, against 0.7 cents.

The company reported losses of \$10.80m. from the sale of the new hotel property (against a profit of \$10.2m.).

Mr. R. G. Reuter.

Cautious approach to options

TOKYO, May 9.

THE introduction of options dealing in Japan is being treated with caution by the Tokyo and other Japanese exchanges, pending the outcome of the review by the U.S. Securities and Exchange Commission designed to determine whether it is possible to go ahead as expected, according to the Tokyo exchange.

The draft plans were worked out by the Japanese Securities Dealers Association in November, and was based on the findings of a survey mission sent to the U.S. and Canada in April last year.

At the same time, some Japanese securities companies have grown less interested in the idea of options trading now that the Tokyo market is booming without the stimulus which it was hoped that options would

provide. The Tokyo Stock Exchange is continuing to study a draft plan for the introduction of options trading, but no early decision to go ahead is expected, according to the Tokyo exchange.

The draft plans were worked out by the Japanese Securities Dealers Association in November, and was based on the findings of a survey mission sent to the U.S. and Canada in April last year.

At the same time, some Japanese securities companies have grown less interested in the idea of options trading now that the Tokyo market is booming without the stimulus which it was hoped that options would

Hong Kong Land growth

BY DANIEL NELSON

HONG KONG Land's earnings and dividends will continue to grow as a result of additional income from longer-term investments such as its central district redevelopment scheme.

Mr. Newbigging, the chairman of D. K. Newbigging, the chairman of the company, said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

The main increase in turnover came from commercial rentals—up from \$HK180m. in 1976 to \$HK224m. an increase of

HONG KONG, May 9.

14 per cent. Mr. Newbigging says that as a result of the \$HK300m. raised by the issue of 7.5 per cent. unsecured guaranteed bonds in 1983, the group has sufficient funds available from existing resources for its current requirements.

As previously reported, the group profit after tax amounted to \$HK299.80m., an increase of

\$HK10.7m. or 3.7 per cent.

The company reported losses of \$HK800,000 from the sale of the new hotel property (against a profit of \$10.2m.).

Mr. R. G. Reuter.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market.

United Overseas Land United Overseas Land group did not profit fell to \$HK39.000 (US\$15,000). in 1977, from \$HK21m. in 1976. The parent company's loss was \$HK40,000. against \$HK11m. reported Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 8 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed results in the rental property market

Town hall lotteries become big business

BY DAVID CHURCHILL

THE BOOM in town hall lotteries is here. Littlewoods, the Liverpool-based pools giant, has just broken into the £100m-plus-a-year local authority lottery business by launching 20 lotteries for the Greater London Council and most of the London boroughs. This was the biggest single lottery launch since local authorities were given the power to raise money in this way just over a year ago.

Littlewoods has joined its rivals Vernons and Ladbrokes—and a host of smaller companies—in one of the fastest growing sectors in the economy:

Over the past year 282 local authorities—more than half the total number in Britain—have encouraged local citizens to lay out 25p a ticket in the hope of winning up to £1,000 in prize money. About 10p of the ticket price finds its way to the local authority in use on community projects such as extra sports facilities or travel scholarships. The rest goes to prizes and the cost of administering the lottery.

In addition, at least 361 charities, sports clubs, and other social organisations have registered with the Gaming Board to run lotteries under the 1976 Lotteries and Amusements Act.

With applications for registering new lotteries being made at the rate of 40 a week, the original estimated total turnover for all public lotteries this year of at least £100m is likely to be comfortably exceeded.

It is market size—much larger than had been expected when the go-ahead was given by Parliament—that has fuelled in the big betting organisations. And with

the possibility that the legal limits on the gross takings of a lottery will be increased, competition will get even fiercer. Local authorities have been only too pleased in most cases. This is shown by the fact that in off-load responsibility for running their lotteries on to the big specialist companies. Lack of expertise and resources of these gambling organisations, councils would find themselves hard pressed to run a lottery efficiently with only £1m. turnover a year. But by organising a number of lotteries, the major companies can spread their overheads over a much greater turnover.

The lottery promoters take overall responsibility for finding agents, printing tickets, publicity, organising draws, and paying out prize money. All the local authority has to do is nominate a worthy use for its share of the revenue. The GLC, for example, is putting £25,000 towards setting up a resident theatre company at London's Old Vic.

Profitability

In return the promoters expect to take about 3 per cent of sales as profit. For a weekly lottery with £10,000 turnover, this represents some £300 a week. But for a company like Ladbrokes, which hopes to run 100 lotteries by the end of the year, this could mean annual profits of up to £1.5m.

But there are already rumblings in some quarters that the lotteries have become too commercialised. They were set up originally as a means for local authorities and charities to receive extra income for specific community projects. These projects are certainly receiving the benefit of the lotteries boom: the surface with the edge of a

coin. If three identical characters are revealed the ticket is a winner. For small prizes such as 50p or £1 the winner can claim his prize from the vendor of the ticket. Larger prizes have to be claimed from the town hall or agent's offices.

The public's imagination has undoubtedly been caught by the "instant-winner" type of lottery which is far and away the most popular. For 25p punters can buy, from newsagents, pubs, garages and a multitude of other retailers, a ticket which shows straight away if you are a winner. There is a 13 to 1 chance of winning a prize, from 50p to £1,000.

These tickets, which vary in format, involve the purchaser uncovering numbers or letters on the ticket by rubbing away



Mr. Peter Moores, chairman of Littlewoods, pictured with the GLC chairman, Mr. Lawrence Bains, at the launch of National Lotteries.

second chance to present it again. Subsequently the Government put forward its own proposal which forced Mr. Page to withdraw his draft legislation. Although the Government's Bill became law in August, 1973, it did not come into force until April, 1977.

Most lotteries are of the weekly variety which guarantees more winners and is therefore more popular. But a seaside town, for example, could hold all 32 lotteries during the summer season to take advantage of holiday-makers.

The opportunity for the public to support its local town hall or favourite charity came at £5m. a year, or around £100,000 a week. But the Government's Act set the limits at £10,000 a week, or £520,000 a year.

The other common types of lotteries are a straight forward premium-bond style draw, or a mixture of the instant lottery and weekly draw.

The opportunity for the public to support its local town hall or favourite charity came at £5m. a year, or around £100,000 a week. But the Government's Act set the limits at £10,000 a week, or £520,000 a year.

For less frequent lotteries, the turnover for any one lottery is higher but still limited.

Promoters of no more than 12 lotteries a year can raise £20,000.

Chester-le-Street District Council, which was early in the security printers who either have traditionally run small lotteries or have entered the market to help local authorities which do not work through one of the big companies. About a quarter of councils, in fact, are prepared to run their own lotteries to ensure that all proceeds, after expenses, go to the stated purpose.

Yet such lotteries, which are usually on a monthly or even quarterly basis, are not of the "instant" type, and are not proving as successful as the more commercial operations of the big companies. And there is nothing to stop rival instant lotteries for a charity or sports organisation being set up in direct competition by one of the big companies.

But the next obvious step is towards setting up a national lottery, to benefit such areas as the Health Service and with prizes of up to £100,000. Ladbrokes' Cyril Stein believes that the present lottery system will be the forerunner of a national lottery and says his company would be prepared to run it to a certain extent, however, the big lottery promoters are already running national lotteries in that they sell the same tickets all over Britain. Only the name is different. The game is still the same.

This is a long way from the £5m-plus which the Littlewoods lottery will make for the 20 London councils taking part. Ladbrokes launched its first lottery last February. And if the present restrictions on lottery size are lifted then claims to be 33 now—on a weekly lottery, are guaranteed to rise to 33 now—but calculates that the total will top 100 later this year. Mr. Cyril Stein, chairman of the Ladbrokes Group, estimates that in the first full year of operation the total lottery ticket sales will exceed £200m. And the Conservatives have

thus far indicated they would favour such a move, if returned to power.

The rest of the industry con-

Marinus van Royenwinkel



**There have been
a few Changes
in Banking since their Time -
for instance, the Development
of the Euromarket.**

The world of finance is getting more complex by the day with floating currencies, new debt instruments and an increasing demand for international funding being only some of the newer developments calling for ever greater professional banking expertise.

With Bayerische Landesbank as your banker, you can rest assured that you'll get all the necessary financial experience you'll need and more—you'll have a partner who combines personal friendliness, the type Bavarians are known for, with professional drive.

As one of the largest "universal banks" in West Germany, bankers to the State of Bavaria, and with a balance sheet total of close on DM 60 billion, you'll know that we have the financing capacity whatever the size of your project. Our refinancing ability for DM loans is strengthened by our authority to issue own bearer bonds. In addition, we have the management capacity to put together world-wide syndicates.

For Euromarket lendings, be it for short-term trade financing or medium and long-

term capital investments, our subsidiary, Bayerische Landesbank International S.A., Bayemlux for short, is at your service. As in Munich, in Luxembourg too you'll find the same high professional standards combined with Bavarian friendliness and that this rare combination is appreciated by a demanding clientele best reflected in the fact that Bayemlux's balance sheet total increased from DM 3.75 billion to almost DM 5.2 billion during the last financial year ending September 30, 1977. Our investment advisory services in Luxembourg have also gained recognition particularly in the field of fixed interest securities and other investment certificates. And our money market and foreign exchange operations complement our Euro-market facilities.

When you are looking for a partner in the Euromarket you can't do better than Bayerische Landesbank Bayerische Landesbank Girozentrale 8 München 2, Briener Strasse 20 Tel.: 217711, Telex: Foreign Dept. 5 24324 Cables: Bayembank Munich S.W.F.T. Address: BYLA DE MM

**Bayerische
Landesbank
Girozentrale**

International Banking with Bavarian Drive
and Friendliness

Lloyds Bank Interest Rates

Lloyds Bank Limited has increased its Base Rate from 7½% to 9% p.a. with effect from Wednesday 10th May 1978.

The rate of interest on 7-day notice Deposit accounts and Savings Bank accounts is increased from 4% to 6% p.a.

The change in Base Rate and Deposit account interest will also be applied from the same date by the United Kingdom branches of

**Lloyds Bank International Limited
The National Bank of New Zealand Limited
and by
Lewis's Bank Limited**

TSB BASE RATE

With effect from the close of business on Wednesday 10th May 1978 and until further notice TSB Base Rate will be 9% per annum.



TRUSTEE SAVINGS BANKS
Central Board,
P.O. Box 33, 3 Copthall Avenue, London EC2P 2AB.



**HAROLD PERRY
MOTORS LIMITED**

Ford Main Dealers

1977 RESULTS

	1977 £'000	1976 £'000
Group Sales	67,331	51,641
Profit before Tax	2,774	1,578
Retained Earnings	2,597	1,460
Earnings per share	62.5p	35.5p

Dividends increased by permitted maximum
* 1978 First quarter profit of £1,100,000 compared with £806,000 in 1977

Copies of the Chairman's statement and the 1977 report and accounts can be obtained from The Secretary, 279 Ballards Lane, North Finchley, London N12 8NS.

GO PERRYS

less

DAN-AIR's NORWAY CONNECTIONS

17 direct flights from the UK to Norway each week

If you haven't got the details ring 01-6801011

DAN-AIR
4053 4058
Flew 3 million passengers last year.

APPOINTMENTS

Senior posts in Wilkinson Match European region

Mr. R. H. Bartlett, at present Radio in the Thessaloniki area. She and Mr. M. Thompson have been appointed to the Board of BURY AND MASCO (HOLDINGS). Mr. E. L. Allen, Mr. C. C. Ballinger and Mr. J. R. Mayhew-Sanders have resigned from the Board. The changes follow the acquisition of the company by G. M. Pfaff A.G. from Staufen International.

Mr. John Gorst has been appointed chairman of CERTAINTEED CORPORATION from May 15, and Mr. Roger Martin (chairman and chief executive of Saint-Gobain-Ponts-Louisian), becomes vice-chairman. Mr. Marcel Leveque, executive vice-president and chairman of the operating committee of CertainTeed, will be president and chief executive officer. He succeeds Mr. D. C. Stead as chairman and chief executive of CertainTeed. He retains his directorships. Mr. E. O. Steel has become vice-chairman of Saint-Gobain-Ponts-Mouscron.

Mr. Peter A. W. E. Everett has been appointed president of EVERARDS BREWERY, having held the position of chairman for 29 years. He retains his directorships. Mr. E. O. Steel has become chairman. He was a director of Everards from 1968 to 1975.

Mr. Peter A. Armstrong has joined J. H. MINET & CO. as a director and as managing director of the aviation division.

Mr. David A. Russell has been appointed chairman and managing director of the ROSSET AND RUSSELL GROUP on the retirement of Mr. D. Russell Naylor.

Mr. G. J. Beswick has been appointed group financial controller of PRIDON and also a member of the company's executive committee. Mr. B. S. Needell is now group chief accountant.

Mr. John Low has been appointed director of PIG IMPROVEMENT COMPANY, a member of the Dalerty Group, and also becomes a deputy chief executive of the livestock division.

Mr. Elizabeth Keenan has been appointed chairman of THE INDEPENDENT BROADCASTING AUTHORITY'S Local Advisory Committee for Independent Local

FILMMAKERS' GROUP, H.M.S. ART IN RELIGION.

FOX GALLERIES. Exhibition of the paintings by British and European Artists held at its registered office at 10, Bowes Court, Bowes Road, London, W.1. Tel. 01-734 2626. Weekdays 10-5.30 p.m. Last admission 30p. Until May 20.

NOTRE DAME PAINTERS. Royal Society's 84th Annual Exhibitions at The Mall Galleries, 10 St. James's Street, SW.1. Tel. 01-734 2626. Weekdays 10-5.30 p.m. Last admission 30p. Until May 20.

SLOANE STREET GALLERIES. 158 Sloane Street, SW.3. Tel. 01-580 1400. A wide range of fine art and graphics by interesting international artists.

WILDESTENEN. A Los Angeles exhibition of TWENTY MASTERPIECES FROM THE COLLECTION OF THE ROYAL BANK OF SCOTLAND. Days 12-5.30 Saturday 16-12.30. Until 26th May. Admission 30p in aid of the Royal Scottish National Fund. 147, New Bond Street, W.1.

ART GALLERIES

COMPANY NOTICES

PAN-HOLDING

Société Anonyme
Registered Office Luxembourg

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders will be held at the registered office at 10, Boulevard Roosevelt, Luxembourg, on May 30, 1978, for the purposes of considering and approving the following resolutions:

1. Acceptance of the Directors' and Auditor's reports.

2. Application of the net assets for 1977, and of the date of payment.

3. Discharge of the Directors and the Auditor with respect to the year 1977.

4. Ratification of nominations.

5. Determination of the Directors' remuneration for the fiscal year 1977.

6. Determination of the Committee's remuneration for the fiscal year 1977.

The larger shares may be despatched either at the registered office of the company or at the bank or banking or financial institution agreed by the Company. Shareholders may receive their documents by the Company at Bole Postale Nr. 400, Luxembourg, prior to May 1, 1978.

No notice is required with respect to registered shares.

THE BOARD OF DIRECTORS.

INTERNATIONAL COMMODITY SHARE FUND

"ICOFUND S.A.H." - Société Anonyme

23, avenue de la Porte-Neuve

LUXEMBOURG

R.C. Luxembourg B 7.942.- NOTICE

Pursuant to the resolution of the Annual General Meeting of Shareholders held on the 23rd of April 1978, payment of US\$0.20 per share will be made on the 25th May 1978, with possibility of revaluing in line with the market value of the asset value calculated on the same date. For that purpose Shareholders have to introduce their application before the 25th May 1978.

Paying agent:

Banca Commerciale Italiana In Milan

- Banca delle Sviluppi Italiani in Lugano and in Zurigo

- Banques de Paris et des Pays-Bas in Paris

- Banque de Luxembourg, Geneva and London

- Banque du Parc et des Pays-Bas pour le Grand-Duché de Luxembourg.

AUGUST THIENHUTHTE AG.
WESTMINSTER BANK LIMITED

DEPOSIT CERTIFICATES

National Westminster Bank Limited has decided to issue deposit certificates for the eighteenth dividend due 24 April 1978, at 5.25% per cent. per annum.

United Kingdom Income Tax is deducted at source.

Dividends are accompanied by an appropriate Inland Revenue declaration of DM1.10 per Unit.

25th April Commencement Date.

Bank of England Income Tax 20.6723240 per cent. on base.

Claims should be lodged at 550000 Threadneedle Avenue, London EC2R 1JZ.

Authorised Depositors only, who

should mark payment of dividends on the certificates.

The BANK OF ADELAIDE

The Bank of Adelaide's Transfer Books

will close for dividend on 28th May 1978.

By Order of the Board
General Manager.

APPOINTMENTS

Senior posts in Wilkinson Match European region

times as joint managing director the Board of the BRITISH BANK OF THE MIDDLE EAST.

Mr. P. A. C. Seymour has been appointed general manager of TARGET LIFE ASSURANCE COMPANY from May 12 and will continue as the company's actuary.

He will also become a director of Target Trust Group from the same date. He succeeds Mr. R. W. Taylor, who is leaving to take up another appointment.

Mr. Brian Barker has been appointed sales director of AUDIO AND VISION, a subsidiary of C. A. Moon (Holdings).

Mr. A. S. Newman, executive director of ATAN J. RIDGE AND CO., is leaving at the end of this month.

Mr. Sdg. Roosens has been appointed managing director of NORSK HYDRA (UK).

He succeeds Mr. Niels T. Andersen.

Mr. John Phillips has been appointed director of personnel of CONSOLIDATED PNEUMATIC TOOL COMPANY.

Mr. L. A. Denney has joined the Board of KENNELON as group managing director. Mr. K. G. Mill has retired from the position and has become chief executive concerned with international marketing. Mr. Denney also joins the partnership. Mr. D. Lord and Mr. J. M. Wightman have become partners.

Mr. R. C. Wickenden has resigned as a director of ALFRED DUNHILL.

The Ministry of Agriculture states that Dr. P. Lee, Professor J. E. Corless and Mr. T. Boundy have been appointed members of the VETERINARY PRODUCTS COMMITTEE.

Mr. J. E. Peters has joined the NORTON AND WRIGHT GROUP as managing director of Norton and Wright Ltd. He was previously a director of the British Printing Corporation.

Mr. Terry E. Day has been appointed managing director of PLOTEC GROUP, a subsidiary of Petrocon Group.

Mr. R. W. Goodall, Mr. H. Taley

has been appointed chairman and

Mr. Bill Bewley has been appointed managing director of THORSTAN & CO. (UK), a member of the Ericsson Group.

Mr. M. W. Watt has been appointed to the Board of C. R. HILLS INSURANCE.

Mr. Sam Czechick, commercial director, and Mr. Harold L. Pease, sales director, are to retire from the Board of JAMES WILKS at the end of this month.

Mr. G. A. Calver has rejoined



Merseyside Chamber of Commerce. Mr. Sharples is purchasing manager of E. R. Squibb and Sons. The new vice-chairman of the Committee is Mr. John Saunders, an architect with a practice in Liverpool.

Mr. Harry Gadd has been appointed chief education and training officer of the ENGINEERING INDUSTRY TRAINING BOARD from July 1. He succeeds Mr. Joe Moon, who becomes director of the Board on that date. Since 1973 Mr. Gadd has been responsible for the aerospace, industrial sector manager, with instrumentation, office machine and equipment, and light engineering industries.

The Secretary for Trade has appointed Mrs. Rosalie Hart and Mr. Diamond Hart as part-time directors of the NATIONAL FILM FINANCE CORPORATION for three years.

Dr. Antonio Perrinelli has been appointed an executive director of the ITALIAN INTERNATIONAL BANK. Dr. Perrinelli was previously with Istituto Bancario

Transport Committee of the Italian in Rome.

C_B

Clydesdale Bank

BASE RATE

Clydesdale Bank Limited

announces that with effect from

10th May 1978

its Base Rate for lending is being increased from 7½ per cent. per annum to 9 per cent. per annum.

National Westminster Bank

NatWest announces that with effect from Wednesday, 10th May, 1978, its Base Rate is increased from 7½% to 9% per annum.

The basic Deposit and Savings Account rates will be increased from 4% to 6% per annum.

The Royal Bank of Scotland

The Royal Bank of Scotland Limited announces that with effect from 10th May 1978 its Base Rate for lending is being increased from 7½ per cent. per annum to 9 per cent. per annum

The maximum rate of interest allowed on Deposits lodged for a minimum period of seven days or subject to seven days' notice of withdrawal at the London Offices of the Bank will be increased to 6 per cent. per annum.

Yorkshire Bank Base Rate

With effect from 10th May 1978
Base Rate will be changed from 7½% to 9% p.a.



Yorkshire Bank Limited
Reg. Office: 2 Infirmary Street
Leeds LS1 2UL

Coutts & Co. announce that their Base Rate for lending will be increased from 7½% to 9% per annum for balances in their books on and after 10th May, 1978 and until further notice.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.



Coutts & Co.

Coutts & Co. announce that their Base Rate for lending will be increased from 7½% to 9% per annum for balances in their books on and after 10th May, 1978 and until further notice.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

WALL STREET + OVERSEAS MARKETS

+ FOREIGN EXCHANGES

Down again on tighter money fears

BY OUR WALL STREET CORRESPONDENT

THE STOCK MARKET failed in Monday's slight decline. A brief heavy electrical machines fell on another attempt to continue its recovery in the morning was profit-taking with Hitachi down recent rally and prices finished attributed to the dollar's continued 13 to 128 and Mitsubishi Electric narrowly lower in a relatively strength in European exchanges from 14 to 150. Public Works, Pneumatic Tools, Pharmaceuticals and others sectors also fell.

The retreat was attributed to profit-taking, with investors watching closely the Federal Reserve System for clues to a possible tightening of monetary policy.

The Dow Jones Industrial Average fell 2.51 to 822.07 and the NYSE Index eased 0.14 to 53.65. The Transport Index lost 1.90 to 221.51 and Stocks fell 1.44 to 255.75. Volume narrowed to 30,566, shares, against Monday's 34,000. Declines led advances 2.28 to 6.20.

Concern about tighter money was underscored by White House aide Stuart Eizenstat, who told the National Finance Council of the Democratic National Committee he was concerned about the continued rise in interest rates, which he feared might undercut economic recovery.

Prices began drifting lower after the opening in an extension of

Lockheed rose 25 cents to \$24.41 after announcing that it may resume paying dividends soon and expected to finalise a \$475m contract with the U.S. Air Force for 279 transport aircraft.

Prices rose on the American Stock Exchange in active trading.

The Amex index gained 0.14 to 140.18. Volume fell to 4,826.

Shares from 5.17m. on Monday.

Macrodyne, the volume leader,

went up to \$17 after disclosing that it plans to sell its Hardman unit.

Resorts International Class "A"

jumped \$2 to \$34.10.

OTHER MARKETS

TUESDAY'S ACTIVE STOCKS

Stocks Closing Change	May 8	May 9	May 10	May 11	May 12	May 13	May 14	May 15	May 16	May 17	May 18	May 19	May 20	May 21	May 22	May 23	May 24	May 25	May 26	May 27	May 28	May 29	May 30	May 31	June 1	June 2	June 3	June 4	June 5	June 6	June 7	June 8	June 9	June 10	June 11	June 12	June 13	June 14	June 15	June 16	June 17	June 18	June 19	June 20	June 21	June 22	June 23	June 24	June 25	June 26	June 27	June 28	June 29	June 30	June 31	July 1	July 2	July 3	July 4	July 5	July 6	July 7	July 8	July 9	July 10	July 11	July 12	July 13	July 14	July 15	July 16	July 17	July 18	July 19	July 20	July 21	July 22	July 23	July 24	July 25	July 26	July 27	July 28	July 29	July 30	July 31	Aug. 1	Aug. 2	Aug. 3	Aug. 4	Aug. 5	Aug. 6	Aug. 7	Aug. 8	Aug. 9	Aug. 10	Aug. 11	Aug. 12	Aug. 13	Aug. 14	Aug. 15	Aug. 16	Aug. 17	Aug. 18	Aug. 19	Aug. 20	Aug. 21	Aug. 22	Aug. 23	Aug. 24	Aug. 25	Aug. 26	Aug. 27	Aug. 28	Aug. 29	Aug. 30	Aug. 31	Sept. 1	Sept. 2	Sept. 3	Sept. 4	Sept. 5	Sept. 6	Sept. 7	Sept. 8	Sept. 9	Sept. 10	Sept. 11	Sept. 12	Sept. 13	Sept. 14	Sept. 15	Sept. 16	Sept. 17	Sept. 18	Sept. 19	Sept. 20	Sept. 21	Sept. 22	Sept. 23	Sept. 24	Sept. 25	Sept. 26	Sept. 27	Sept. 28	Sept. 29	Sept. 30	Oct. 1	Oct. 2	Oct. 3	Oct. 4	Oct. 5	Oct. 6	Oct. 7	Oct. 8	Oct. 9	Oct. 10	Oct. 11	Oct. 12	Oct. 13	Oct. 14	Oct. 15	Oct. 16	Oct. 17	Oct. 18	Oct. 19	Oct. 20	Oct. 21	Oct. 22	Oct. 23	Oct. 24	Oct. 25	Oct. 26	Oct. 27	Oct. 28	Oct. 29	Oct. 30	Oct. 31	Nov. 1	Nov. 2	Nov. 3	Nov. 4	Nov. 5	Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11	Nov. 12	Nov. 13	Nov. 14	Nov. 15	Nov. 16	Nov. 17	Nov. 18	Nov. 19	Nov. 20	Nov. 21	Nov. 22	Nov. 23	Nov. 24	Nov. 25	Nov. 26	Nov. 27	Nov. 28	Nov. 29	Nov. 30	Dec. 1	Dec. 2	Dec. 3	Dec. 4	Dec. 5	Dec. 6	Dec. 7	Dec. 8	Dec. 9	Dec. 10	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24	Dec. 25	Dec. 26	Dec. 27	Dec. 28	Dec. 29	Dec. 30	Dec. 31	Jan. 1	Jan. 2	Jan. 3	Jan. 4	Jan. 5	Jan. 6	Jan. 7	Jan. 8	Jan. 9	Jan. 10	Jan. 11	Jan. 12	Jan. 13	Jan. 14	Jan. 15	Jan. 16	Jan. 17	Jan. 18	Jan. 19	Jan. 20	Jan. 21	Jan. 22	Jan. 23	Jan. 24	Jan. 25	Jan. 26	Jan. 27	Jan. 28	Jan. 29	Jan. 30	Jan. 31	Feb. 1	Feb. 2	Feb. 3	Feb. 4	Feb. 5	Feb. 6	Feb. 7	Feb. 8	Feb. 9	Feb. 10	Feb. 11	Feb. 12	Feb. 13	Feb. 14	Feb. 15	Feb. 16	Feb. 17	Feb. 18	Feb. 19	Feb. 20	Feb. 21	Feb. 22	Feb. 23	Feb. 24	Feb. 25	Feb. 26	Feb. 27	Feb. 28	Feb. 29	Feb. 30	Feb. 31	Mar. 1	Mar. 2	Mar. 3	Mar. 4	Mar. 5	Mar. 6	Mar. 7	Mar. 8	Mar. 9	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar. 14	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26	Mar. 27	Mar. 28	Mar. 29	Mar. 30	Mar. 31	Apr. 1	Apr. 2	Apr. 3	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 10	Apr. 11	Apr. 12	Apr. 13	Apr. 14	Apr. 15	Apr. 16	Apr. 17	Apr. 18	Apr. 19	Apr. 20	Apr. 21	Apr. 22	Apr. 23	Apr. 24	Apr. 25	Apr. 26	Apr. 27	Apr. 28	Apr. 29	Apr. 30	Apr. 31	May. 1	May. 2	May. 3	May. 4	May. 5	May. 6	May. 7	May. 8	May. 9	May. 10	May. 11	May. 12	May. 13	May. 14	May. 15	May. 16	May. 17	May. 18	May. 19	May. 20	May. 21	May. 22	May. 23	May. 24	May. 25	May. 26	May. 27	May. 28	May. 29	May. 30	May. 31	June. 1	June. 2	June. 3	June. 4	June. 5	June. 6	June. 7	June. 8	June. 9	June. 10	June. 11	June. 12	June. 13	June. 14	June. 15	June. 16	June. 17	June. 18	June. 19	June. 20	June. 21	June. 22	June. 23	June. 24	June. 25	June. 26	June. 27	June. 28	June. 29	June. 30	July. 1	July. 2	July. 3	July. 4	July. 5	July. 6	July. 7	July. 8	July. 9	July. 10	July. 11	July. 12	July. 13	July. 14	July. 15	July. 16	July. 17	July. 18	July. 19	July. 20	July. 21	July. 22	July. 23	July. 24	July. 25	July. 26	July. 27	July. 28	July. 29	July. 30	July. 31	Aug. 1	Aug. 2	Aug. 3	Aug. 4	Aug. 5	Aug. 6	Aug. 7	Aug. 8	Aug. 9	Aug. 10	Aug. 11	Aug. 12	Aug. 13	Aug. 14	Aug. 15	Aug. 16	Aug. 17	Aug. 18	Aug. 19	Aug. 20	Aug. 21	Aug. 22	Aug. 23	Aug. 24	Aug. 25	Aug. 26	Aug. 27	Aug. 28	Aug. 29	Aug. 30	Aug. 31	Sept. 1	Sept. 2	Sept. 3	Sept. 4	Sept. 5	Sept. 6	Sept. 7	Sept. 8	Sept. 9	Sept. 10	Sept. 11	Sept. 12	Sept. 13	Sept. 14	Sept. 15	Sept. 16	Sept. 17	Sept. 18	Sept. 19	Sept. 20	Sept. 21	Sept. 22	Sept. 23	Sept. 24	Sept. 25	Sept. 26	Sept. 27	Sept. 28	Sept. 29	Sept. 30	Oct. 1	Oct. 2	Oct. 3	Oct. 4	Oct. 5	Oct. 6	Oct. 7	Oct. 8	Oct. 9	Oct. 10	Oct. 11	Oct. 12	Oct. 13	Oct. 14	Oct. 15	Oct. 16	Oct. 17	Oct. 18	Oct. 19	Oct. 20	Oct. 21	Oct. 22	Oct. 23	Oct. 24	Oct. 25	Oct. 26	Oct. 27	Oct. 28	Oct. 29	Oct. 30	Oct. 31	Nov. 1	Nov. 2	Nov. 3	Nov. 4	Nov. 5	Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11	Nov. 12	Nov. 13	Nov. 14	Nov. 15	Nov. 16	Nov. 17	Nov. 18	Nov. 19	Nov. 20	Nov. 21	Nov. 22	Nov. 23	Nov. 24	Nov. 25	Nov. 26	Nov. 27	Nov. 28	Nov. 29	Nov. 30	Dec. 1	Dec. 2	Dec. 3	Dec. 4	Dec. 5	Dec. 6	Dec. 7	Dec. 8	Dec. 9	Dec. 10	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24	Dec. 25	Dec. 26	Dec. 27	Dec. 28	Dec. 29	Dec. 30	Dec. 31	Jan. 1	Jan. 2	Jan. 3	Jan. 4	Jan. 5	Jan. 6	Jan. 7	Jan. 8	Jan. 9	Jan. 10	Jan. 11	Jan. 12	Jan. 13	Jan. 14	Jan. 15	Jan. 16	Jan. 17	Jan. 18	Jan. 19	Jan. 20	Jan. 21	Jan. 22	Jan. 23	Jan. 24	Jan. 25	Jan. 26	Jan. 27	Jan. 28	Jan. 29	Jan. 30	Jan. 31	Feb. 1	Feb. 2	Feb. 3	Feb. 4	Feb. 5	Feb. 6	Feb. 7	Feb. 8	Feb. 9	Feb. 10	Feb. 11	Feb. 12	Feb. 13	Feb. 14	Feb. 15	Feb. 16	Feb. 17	Feb. 18	Feb. 19	Feb. 20	Feb. 21	Feb. 22	Feb. 23	Feb. 24	Feb. 25	Feb. 26	Feb. 27	Feb. 28	Feb. 29	Feb. 30	Feb. 31	Mar. 1	Mar. 2	Mar. 3	Mar. 4	Mar. 5	Mar. 6	Mar. 7	Mar. 8	Mar. 9	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar. 14	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22</
-----------------------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-----------

FARMING AND RAW MATERIALS

Farm talks move towards climax

BY MARGARET VAN HATTEM
AFTER ANOTHER day of inconclusive talks, EEC Agriculture Ministers negotiating the annual farm price review broke off early this evening in anticipation of a crucial marathon session tomorrow.

The Commission is expected to table later tomorrow its final proposals representing a compromise between the different national positions. Reaction to this should determine whether there is to be a settlement this week.

Although there has been no apparent progress to-day on the biggest problem area—the financing of a 1.9billion units of account package of aids to Mediterranean producers, on which Britain and Germany say the proportion of proposed Community spending should be cut—the shape of the final agreement is beginning to

emerge. At this stage, no single issue appears big enough to threaten the entire package. The fact that British and German opposition to the cost of the Mediterranean projects has emerged so late in the proceedings—five months after the proposals were first put forward—suggests a bargaining play rather than fundamental objection.

British and German officials privately admitted as much to-day. Moreover, both countries have been careful to avoid taking a hard-and-fast

line. Other thorny issues—milk and cereal prices, pigmeat subsidies, wine, the U.K. milk marketing Boards—though not resolved, appear to be of secondary importance and, therefore, even less likely to cause a breakdown.

China-watchers in Hong Kong say millions of Chinese commune members in two eastern provinces are fighting a persistent drought which is threatening wheat and other crops.

In Anhwei Province 3.2m.

BY OUR COMMODITIES STAFF

THE CANADIAN Wheat Board has told how it lost \$C\$1.5m. on sales of 1.2bn. bushels of grain to China between 1961 and 1976 because of the fall in the value of the pound.

In its latest issue of Grain Matters, sent to Canadian farmers, the Board says China insisted on paying in sterling for all grain contracts between 1961 and 1976 and that payment was deferred.

"With the declining value of the pound in later years," the Wheat Board says, "there was a net difference of about \$C\$1.5m. between the spot Canadian dollar values at time of sale and the Canadian dollars actually received."

Domestic use of coarse grains is not expected to show much change from 1977-78 levels and the carryover may rise further next year if exports do not increase.

Overall, year-end stocks of coarse grains for the 1977-78 crop year are likely to increase by about a third from levels at the beginning of the year," the report said.

Domestic use of coarse grains

people started anti-drought operations a month ago to irrigate parched wheat fields and sow sorghum and maize.

In Kiangsu Province 2.5m. people were moved into anti-drought work in a bid to save wheat, maize and cotton crops.

Canada's coarse grain supplies for the 1978-79 crop year are likely to be at least as large as those in the current season, according to a new report on prospects.

"Overall, year-end stocks of coarse grains for the 1977-78 crop year are likely to increase by about a third from levels at the beginning of the year," the report said.

Domestic use of coarse grains is not expected to show much change from 1977-78 levels and the carryover may rise further next year if exports do not increase.

Other base metal markets, however, were quiet and subdued. More North American lead producers followed the lead in the U.S. domestic price of 40 cents down to 31 cents.

Hudson Bay of Canada announced it was lifting its European produced price by \$25 to \$375 a tonne in line with the surprise increase by Noranda at the end of last week.

In London, Mr. Kingsley Chinkwita, Zambia's Mines Minister, said that about 99,000 tonnes of copper was being held up on the way to world markets because of transport problems.

He urged the 4,000 white miners on the copperbelt not to panic over Zambia's present economic crisis.

A study of the use made of the more unpleasant portions of the animal suggests that they could be worth about £3m. a year.

It is estimated, for example, that British abattoirs produce about 450,000 tonnes of pigs blood a year. Three-quarters of this is dumped into the drainage system.

The simple reason for the far superior profitability of the producer wholesale/retail (PWR) unit was that although their extra costs of marketing added over 5p a dozen to total costs,

the extra returns from marketing added over 6p a dozen to total returns," the paper says.

His investigation showed that standards to sit because of the

extra work, a PWR farm needs

45 per cent. of the packing station suppliers under study almost twice as much labour per

5,000 birds as the simpler unit.

Packing station suppliers also seem much more likely to benefit from the economies of scale, certainly up to the 20,000-bird unit.

Mr. Burton remarks, "there was little evidence of economies of scale within the PWR group."

He concludes that if the egg industry continues its recent

trend towards contraction, the first to go to the wall will be smaller-scale specialist egg farmers—packing station sup-

pliers who buy in ready-made

eggs to the maximum perfor-

mance. He shows that pro-

ducers achieving yields of more

than 250 eggs a year from each

bird earned "well over than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

averaging fewer than 240 eggs

per year," the profits of those

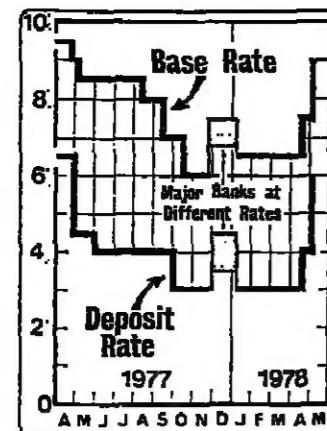
averaging fewer than 240 eggs

per year," the profits of those

International Financier

DAIWA SECURITIES

MINES—Continued
CENTRAL AFRICAN
OILS
AUSTRALIAN
TINS
OVERSEAS TRADERS
COPPER
MISCELLANEOUS
NOTES
TEAS
RUBBERS AND SISALS
MINES
CENTRAL RAND
EASTERN RAND
FAR WEST RAND
REGIONAL MARKETS
OPTIONS
3-month Call Rates
FINANCE
INSURANCE
PROPERTIES
TOBACCO
TRUSTS, FINANCE, LAND
INVESTMENT TRUSTS
PROPERTY
NEWSPAPERS, PUBLISHERS
PAPER, PRINTING, ADVERTISING
INSURANCE—Continued
PROPERTY—Continued
INVESTMENT TRUSTS—Continued
PROPERTY—Continued
INSURANCE—Continued
PROPERTY
TOBACCO
TRUSTS, FINANCE, LAND
INVESTMENT TRUSTS
PROPERTY
INSURANCE



Civil Service unions offered closed shop

BY PHILIP BASSETT, LABOUR STAFF, IN BRIGHTON

THE GOVERNMENT has offered Civil Service unions a closed shop with wide exemption provisions. The terms of the offer have been shown to Conservative leaders, but it was not immediately clear last night whether the Opposition has agreed to them.

Details of the offer, revealed yesterday, go a long way towards meeting Conservative objections to the closed shop. Existing non-union members would not be required to join. Future entrants into the service—the offer does not apply to the higher management grades—could refuse to join a union and pay the equivalent of union dues into a charity.

Existing union members in the service could drop out, and pay money to charity instead, while civil servants with religious objections to union membership would be free of any financial penalty.

Given the wide exemptions, which resemble the Conservatives' agency shop proposals of the 1971 Industrial Relations Act where the charity option was included, the unions concerned are expected to protest strongly.

The feeling yesterday was that the offer could do more harm than good to relations with the executive will face a censure motion to-day on its lack of action in gaining a closed shop.

Leaders of the unions involved believe that the conditions, made after 12 months of talks, have widespread implications for trade union membership agreements in the whole of the public sector.

The offer calls for a ballot of all 400,000 basic grade civil servants, including 50,000 non-unionised staff, though no guarantee is given of an agreement being implemented even if any vote taken is in favour.

A ballot including non-union members would probably be rejected outright by all three

existing civil servants which holds its conference next week, will consider an executive motion opposing any wage restraint policy which does not apply equally and effectively to all sections of the Community.

Meanwhile 1,300 Government scientists in the union plan a half day protest strike today over manpower cuts in research. The scientists, who claim that promotions have been cut by more than half, are employed in potential 200,000. The union's Research

Section has called a ballot of its members to decide whether to support the strike.

The Association of first Division Civil Servants, representing 218,000 staff, will make it clear that they are not interested in the introduction of any form of closed shop.

The Institution of Professional Civil Servants, which holds its conference next week, will consider an executive motion opposing any wage restraint policy which does not apply equally and effectively to all sections of the Community.

In a speech to the union's electrical supply conference at Scarborough, in which he warned the Government not to try to enforce any further "fixed norm" pay policy, Mr. Chapple said power workers would not be asked to put in any more effort than they were now.

The deal was based on sales of electricity and sales of appliances, and the latter, at least, were falling.

"I can't see how you can get a productivity scheme out of that," said Mr. Chapple. Somehow the Electricity Council had managed to work one out with the Department of Energy.

Chapple scoffs at pay 'illusion'

By Nick Garnett, Labour Staff, in Scarborough

MR. FRANK CHAPPLE, the power workers' leader, yesterday ridiculed the idea that a productivity deal just concluded in the industry was within the Government's pay guidelines.

Mr. Chapple, general secretary of the Electrical and Plumbing Trades Union and leading union negotiator, said that the self-financing part of the deal was "an illusion."

Self-financing productivity agreements are exempt from the 10 per cent earnings limit.

Mr. Chapple, general secretary of the Electrical and Plumbing Trades Union and leading union negotiator, said that the self-financing part of the deal was "an illusion."

There is no easy explanation.

Clearing bank advances did not look particularly buoyant,

although there was a substantial increase in their commercial bill holdings.

The outflow from sterling

does not seem to have

had the sort of impact some

observers had been anticipating

and it seems that the PSER was

even more buoyant than ex-

pected as Government depart-

ments tried to avoid under-

spending their year's target.

There is no doubt an element of truth in the last explanation

—this time last year the April

eligible liabilities rose by a surprisingly large 2.5 per cent.

Nevertheless, the latest figures

are bad and provide a severe

test for the Government's well

publicised monetary targets.

The period of uncertainty over interest rates is far from over and some hawks in the money markets are talking of a 10 per cent. MLR. Clearly the Bank of England has to give a lead if it wants to start selling gilts again in the short term.

Later at the conference, Sir Francis Tombs, Electricity Council chairman, lamented the falling sales of a range of electrical goods and said that last year the rate of electricity itself had risen less than 1.5 per cent.

The Department of Energy, rebuking Mr. Chapple's claims last night said, "As far as we are concerned, the deal is self-financing and also self-correcting with a review every three months."

"It is based not only on sales of appliances and electric-

ity, but also on the utilisation

of existing resources. If they can sell the same amount of electricity for less cost, that will count too."

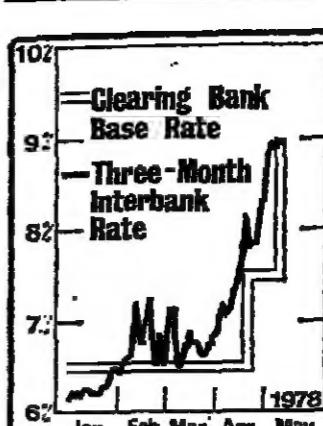
Turning to incomes policy,

Mr. Chapple said enforcement of a fixed norm would lead to a confrontation between power workers and the Government reminiscent of the 1974 battle between the miners and the Tories.

THE LEX COLUMN

Monetary targets under attack

Index fell 9.0 to 471.1



tree. It is less than two years since its last rights issue and Rowntree's balance sheet is now in a far healthier state than it was then. However, with its share price breaking into new high ground it was clearly not going to miss a golden opportunity to bolster its shareholders' funds. The dividend has been increased by 50 per cent, which looks a trifling mean given that there will be significant earnings dilution. But Rowntree has turned in above average growth before and there is no suggestion that its profits growth is going to tail off sharply over the next few years. This year profits could rise from £41.5m. to close to £50m. and there is a good chance that in 1979 it could overtake Cadbury Schweppes, whose turnover is nearly twice as large. So an ex-rights yield of just under 5.0 per cent is not too stingy.

Lesney

Even an expedient switch to an average rather than closing rate basis for currency translation—helping pre-tax profits by some £300,000—has not prevented Lesney's results from showing the scars of currency movements. Thus currency gains dropped from £2.9m. in 1976-77 to £0.5m. in 1977-78, and pre-tax profits are £8.02m. against £10.07m. This still appears to leave a small underlying improvement, however, and similarly the 12 per cent rise in turnover could reflect a small volume gain, all of which reflects a creditable performance in a fairly dull year for trade.

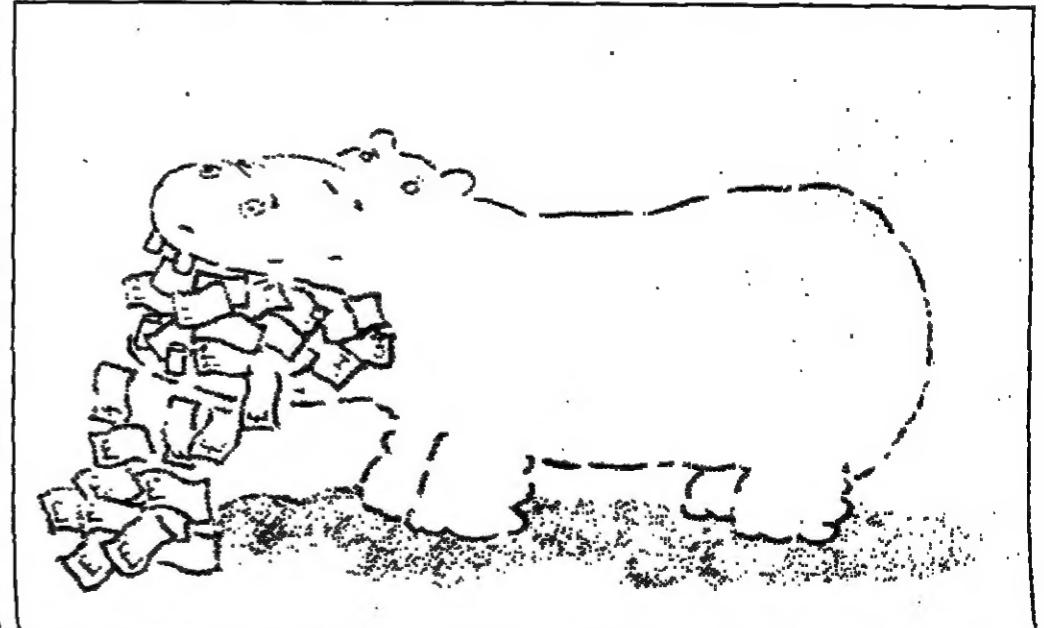
Currency factors apart, prospects are usefully better for the current year. A general improvement in demand has been noticed, probably reflecting a world-wide move by the toy trade to restock the pipeline which has become depleted. Meanwhile Lesney is moving up market, launching its car racing track sets in various countries.

Certainly the group has been investing heavily, capital spending reaching £42.0m. last year while last month's purchase of Metal Castings Doeblin cost £2.3m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 8.89 of 4.8, on a 41 per cent tax charge, should ease significantly. Meanwhile the profit growth was less than 7.4 per cent.

Rowntree Mackintosh

Rowntree Mackintosh's £36m. rights issue is a stroke of opportunism. If any confectionery company needed a rights issue it was Taylor Woodrow, where yield is a decent, if unexciting,

Is your Share Register eating up your profits?



There it sits in your company, eating up wages, office space, equipment and administrative costs. If it has a sophisticated appetite it may also demand more than its fair share of your computer time, which could be put to more profitable use.

Yet for a modest charge you could hand everything over to NatWest Registrars. And enjoy economies without any loss of security or ease of access.

We have computer facilities and programs specially designed for share registration, and we act for over 300 companies and local authorities.

Telephone the Manager on 0272-297144.

NatWest
Registrars Department

National Westminster Bank Ltd, Registrars Department, National Westminster Court, 37 Broad Street, Bristol BS99 7NH.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd, Bracken House, Canham Street, London, EC4P 4BY. © The Financial Times Ltd, 1978

Banks put base rates up to 9%

By Michael Blanden and Michael Cassell

THE COST of overdrafts was raised yesterday as the big banks announced an increase in base rates from 7 per cent. to 9 per cent.

At the same time, the banks took a cut in margins to increase the rate offered on seven-day deposits by 2 per cent. to 8 per cent. The increases will raise pressure on building societies to lift their rates.

A decision will not be taken by the societies until June at the earliest. But they are expecting a sharp drop in inflow of funds and any further increases in interest rates generally could bring a move towards more expensive mortgages.

The increase in the bank loan rates will put the cost of overdrafts up to between 10 and 14 per cent. It had been generally expected after last week's jump in the Bank of England's minimum lending rate from 7 per cent. to 8 per cent.

The decision by the banks, led by Barclays, to move up to 9 per cent. helped to confirm expectations in the money markets that MLR could rise again. Rates on Treasury bills yesterday were pointing to an MLR of 9 per cent., and early in the day some market men were suggesting even higher rates.

The building societies offer 5.5 per cent. net on deposit accounts at the moment and, although this remains very competitive with the banks' new 6 per cent. gross, the movement feels that its rates are slightly out of line with the market. The banks, they point out, will now be competitive on large sums.

This in itself would not be likely to precipitate interest rate adjustments from the societies, but they face sharply falling receipts because of competition from National Savings and because of a seasonal reduction in the inflow of funds.

In April, net receipts for the movement reached about £350m., but these are expected to fall to less than £200m. by June, so that societies will be dipping quite heavily into liquid funds to finance the high lending programme to which they are committed.

When the societies meet in June, there could be a move to raise the interest rate slightly, while leaving the 8.5 per cent. mortgage rate alone. But some societies may call for a more substantial increase in investors' rates, with a mortgage rate increase of anything up to 1 per cent.

Whether the Government would allow more expensive mortgages at such a politically sensitive time remains to be seen.

Continued from Page 1

Moro's body found

A communiqué has not been released by the ultra-left Red Brigade terrorist group which on Friday night announced it was about to carry out "death sentence" on Sig. Moro for his so-called "political crime."

This followed the repeated refusal of the Government and the country's political forces to give in to terrorist demands for the release of 11 named prisoners—including Sig. Renato Carelio, the ideological leader of the subversive movement on trial in Turin—in exchange for Sig. Moro's freedom.

Italy's political parties unanimously condemned the assassination. Sig. Benito Zaccagnini, secretary-general of the Christian Democratic Party, ordered all party branch offices to remain open to-night and to fly the party flag at half-mast. He said: "Moro's faith in freedom still lives in our hearts."

Sig. Enrico Berlinguer, Communist Party leader, expressed his profound indignation.

The family of the former Premier asked to-night that no State funeral nor public demonstration be held. In a statement, the family said: "The family closes itself in silence... Let history be the judge."

Sig. Ugo La Malfa, veteran Republican Party leader, said to-night that the death of Sig. Moro represented a "challenge and an open declaration of war against the State."

Continued from Page 1

CBI tax call

Rock of ICI, the delegation also argued that the tax changes should not be paid for by increases in employers' national insurance contributions.

This was one of the options raised by Mr. Healey in the Commons on Monday night.

Yesterday he was told that a 1 per cent. increase in the contribution, while raising £70m. for the Government in a full year, would increase labour costs to such an extent that it could cause 40,000 jobs to be lost with at least 25,000 of these ending up as unemployed. It would also adversely affect exports and profitability.

The delegation said they would prefer to see the tax changes financed by cutting public expenditure and by introducing a single 10 per cent. value added tax rate. They estimated that this would add only between 4 and 1 per cent. to the retail price index and would yield £600m. this year and £700m. in a full year.

During the talks the confederation leaders also gave their thoughts for the next stage of the pay policy.

These ideas, to be considered

next week, involve the setting

up of a new Parliamentary

select committee which would

review the country's economy

and recommend what could be afforded in price and wage rises.

But no firm levels for pay

norms have yet been set by the

confederation, which is operating